DOCUMENT RESUME

ED 470 786 CE 084 141

TITLE	Welfare Reform: An Examination of Effects. Hearing before the Subcommittee on 21st Century Competitiveness of the Committee on Education and the Workforce. House of Representatives, One Hundred Seventh Congress, First Session (September 20, 2001).
INSTITUTION	Congress of the U.S., Washington, DC. House Committee on Education and the Workforce.
REPORT NO	House-Hrg-107-30
PUB DATE	2002-00-00
NOTE	195p.
AVAILABLE FROM	For full text: http://frwebgate.access.gpo.gov/ cgi-bin/getdoc.cgi?dbname=107_hou se_hearings&docid=f:80213.pdf.
PUB TYPE	Legal/Legislative/Regulatory Materials (090) -- Opinion Papers (120)
EDRS PRICE	EDRS Price MF01/PC08 Plus Postage.
DESCRIPTORS	*Block Grants; Economics; Employment Level; Employment Patterns; Employment Problems; Family Financial Resources; Family Income; Family Life; Family Problems; *Family Programs; Federal Legislation; Federal Programs; *Federal State Relationship; Needs Assessment; Nonprofit Organizations; Philanthropic Foundations; Policy Formation; Poverty; Program Effectiveness; *Program Improvement; *Public Policy; Religious Organizations; Research and Development Centers; Researchers; Social Science Research; Social Services; State Agencies; State Programs; State Regulation; Trend Analysis; Voluntary Agencies; Welfare Recipients; *Welfare Reform; Working Poor
IDENTIFIERS	Congress 107th; Illinois (Chicago); Impact Studies; Ohio; Reauthorization Legislation; *Temporary Assistance for Needy Families; Testimony; Welfare to Work Programs

ABSTRACT

This Congressional report contains the testimony and documents presented for the record of the first of two hearings to gather testimony on the effects of welfare reform and the Temporary Assistance for Needy Families (TANF) block grant. The oral and written testimony focuses on TANF legislation's outcomes and impact on work and families in preparation for reauthorization of the 1996 legislation. The oral statements of the following individuals are presented: Howard "Buck" McKeon and Patsy T. Mink, Subcommittee on 21st Century Competitiveness, Committee on Education and the Workforce, U.S. House of Representatives; Ron Haskins, senior fellow, The Brookings Institute; Robert Rector, senior research fellow, The Heritage Foundation; Joel Potts, TANF policy administrator, Ohio Department of Job and Family Services; Heather Bushey, economist, Economic Policy Institute; and Sanford Schram, Graduate School of Social Work and Research, Bryn Mawr College. The report's 11 appendixes contain the written statements submitted by the seven individuals providing oral testimony as well as the following items: response by Ron Haskins to Chairman Howard "Buck" McKeon and Patsy T. Mink; written testimony submitted by Network: A National Catholic Social Justice Lobby; written testimony submitted by the Chicago Jobs Council; and written testimony submitted by The Center for Women Policy Studies. (MN)

Reproductions supplied by EDRS are the best that can be made
from the original document.

CE

ED 470 786

WELFARE REFORM: AN EXAMINATION OF EFFECTS

HEARING

BEFORE THE

SUBCOMMITTEE ON 21ST CENTURY COMPETITIVENESS
OF THE

COMMITTEE ON EDUCATION AND THE WORKFORCE

HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

HEARING HELD IN WASHINGTON, DC, SEPTEMBER 20, 2001

Serial No. 107-30

Printed for the use of the Committee on Education and the Workforce

U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 2002

80-213 pdf

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: (202) 512-1800 FAX: (202) 512-2250
Mail: Stop SSOP, Washington, DC 20402-0001

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

BEST COPY AVAILABLE

COMMITTEE ON EDUCATION AND THE WORKFORCE

JOHN A. BOEHNER, Ohio, *Chairman*

THOMAS E. PETRI, Wisconsin
MARGE ROUKEMA, New Jersey
CASS BALLENGER, North Carolina
PETER HOEKSTRA, Michigan
HOWARD P. "BUCK" McKEON, California
MICHAEL N. CASTLE, Delaware
SAM JOHNSON, Texas
JAMES C. GREENWOOD, Pennsylvania
LINDSEY O. GRAHAM, South Carolina
MARK E. SOUDER, Indiana
CHARLIE W. NORWOOD, JR., Georgia
BOB SCHAFFER, Colorado
FRED UPTON, Michigan
VAN HILLEARY, Tennessee
VERNON J. EHLERS, Michigan
THOMAS G. TANCREDO, Colorado
ERNIE FLETCHER, Kentucky
JIM DeMINT, South Carolina
JOHNNY ISAKSON, Georgia
BOB GOODLATTE, Virginia
JUDY BIGGERT, Illinois
TODD RUSSELL PLATTS, Pennsylvania
PATRICK J. TIBERI, Ohio
RIC KELLER, Florida
TOM OSBORNE, Nebraska
JOHN ABNEY CULBERSON, Texas

GEORGE MILLER, California
DALE E. KILDEE, Michigan
MAJOR R. OWENS, New York
DONALD M. PAYNE, New Jersey
PATSY MINK, Hawaii
ROBERT E. ANDREWS, New Jersey
TIM ROEMER, Indiana
ROBERT C. "BOBBY" SCOTT, Virginia
LYNN C. WOOLSEY, California
LYNN N. RIVERS, Michigan
RUBEN HINOJOSA, Texas
CAROLYN McCARTHY, New York
JOHN F. TIERNEY, Massachusetts
RON KIND, Wisconsin
LORETTA SANCHEZ, California
HAROLD E. FORD, JR., Tennessee
DENNIS KUCINICH, Ohio
DAVID WU, Oregon
RUSH D. HOLT, New Jersey
HILDA L. SOLIS, California
SUSAN DAVIS, California
BETTY McCOLLUM, Minnesota

Paula Nowakowski, Chief of Staff
John Lawrence, Minority Staff Director

SUBCOMMITTEE ON 21ST CENTURY COMPETITIVENESS

HOWARD P. "BUCK" McKEON, California, *Chairman*

JOHNNY ISAKSON, Georgia, *Vice Chairman*
JOHN BOEHNER, Ohio
MICHAEL N. CASTLE, Delaware
SAM JOHNSON, Texas
LINDSEY O. GRAHAM, South Carolina
MARK E. SOUDER, Indiana
FRED UPTON, Michigan
VERNON J. EHLERS, Michigan
BOB GOODLATTE, Virginia
TOM OSBORNE, Nebraska

PATSY MINK, Hawaii
JOHN F. TIERNEY, Massachusetts
RON KIND, Wisconsin
RUSH D. HOLT, New Jersey
DAVID WU, Oregon
LYNN N. RIVERS, Michigan
BETTY McCOLLUM, Minnesota
ROBERT E. ANDREWS, New Jersey
RUBEN HINOJOSA, Texas

Table of Contents

Table of Contents 1

OPENING STATEMENT OF CHAIRMAN HOWARD P. "BUCK" McKEON, SUBCOMMITTEE ON 21st CENTURY COMPETITIVENESS, COMMITTEE ON EDUCATON AND THE WORKFORCE, U.S. HOUSE OF REPRESENTATIVES, WASHINGTON, D.C. 2

STATEMENT OF RANKING MEMBER PATSY T. MINK, SUBCOMMITTEE ON 21st CENTURY COMPETITIVENESS, COMMITTEE ON EDUCATON AND THE WORKFORCE, U.S. HOUSE OF REPRESENTATIVES, WASHINGTON, D.C. 3

STATEMENT OF DR. RON HASKINS, SENIOR FELLOW, THE BROOKINGS INSTITUTE, WASHINGTON, DC 6

STATEMENT OF ROBERT RECTOR, SENIOR RESEARCH FELLOW, THE HERITAGE FOUNDATION, WASHINGTON, DC 8

STATEMENT OF JOEL POTTS, TANF POLICY ADMINISTRATOR, OHIO DEPARTMENT OF JOB AND FAMILY SERVICES, COLUMBUS, OHIO 10

STATEMENT OF DR. HEATHER BOUSHEY, ECONOMIST, ECONOMIC POLICY INSTITUTE, WASHINGTON, DC 13

STATEMENT OF DR. SANFORD SCHRAM, GRADUATE SCHOOL OF SOCIAL WORK AND RESEARCH, BRYN MAWR COLLEGE, BRYN MAWR, PENNSYLVANIA 15

APPENDIX A -- WRITTEN OPENING STATEMENT OF CHAIRMAN HOWARD P. "BUCK" McKEON, SUBCOMMITTEE ON 21st CENTURY COMPETITIVENESS, COMMITTEE ON EDUCATON AND THE WORKFORCE, U.S. HOUSE OF REPRESENTATIVES, WASHINGTON, D.C. 35

APPENDIX B -- SUBMITTED FOR THE RECORD BY RANKING MEMBER PATSY T. MINK, SUBCOMMITTEE ON 21st CENTURY COMPETITIVENESS, COMMITTEE ON EDUCATON AND THE WORKFORCE, U.S. HOUSE OF REPRESENTATIVES, WASHINGTON, D.C., ESSAYS, "REFORMING WELFARE, REDEFINING POVERTY," FROM THE ANNALS OF THE AMERICAN ACADEMY OF POLITICAL AND SOCIAL SCIENCE. 39

APPENDIX C -- WRITTEN STATEMENT OF DR. RON HASKINS, SENIOR FELLOW, THE BROOKINGS INSTITUTE, WASHINGTON, DC 71

APPENDIX D -- WRITTEN STATEMENT OF ROBERT RECTOR, SENIOR RESEARCH FELLOW, THE HERITAGE FOUNDATION, WASHINGTON, DC.. 99

APPENDIX E -- WRITTEN STATEMENT OF JOEL POTTS, TANF POLICY ADMINISTRATOR, OHIO DEPARTMENT OF JOB AND FAMILY SERVICES, COLUMBUS, OHIO 119

APPENDIX F -- WRITTEN STATEMENT OF DR. HEATHER BOUSHEY, ECONOMIST, ECONOMIC POLICY INSTITUTE, WASHINGTON, DC 131

APPENDIX G -- WRITTEN STATEMENT OF DR. SANFORD SCHRAM, GRADUATE SCHOOL OF SOCIAL WORK AND RESEARCH, BRYN MAWR COLLEGE, BRYN MAWR, PENNSYLVANIA 149

APPENDIX H -- SUBMITTED FOR THE RECORD, RESPOSE BY DR. RON HASKINS, SENIOR FELLOW, THE BROOKINGS INSTITUTE, WASHINGTON, DC, TO CHAIRMAN HOWARD P. "BUCK" McKEON AND RANKING MEMBER PATSY T. MINK, SUBCOMMITTEE ON 21st CENTURY COMPETITIVENESS, COMMITTEE ON EDUCATON AND THE WORKFORCE, U.S. HOUSE OF REPRESENTATIVES, WASHINGTON, D.C. 165

APPENDIX I – SUBMITTED FOR THE RECORD, WRITTEN TESTIMONY SUBMITTED BY NETWORK: A NATIONAL CATHOLIC SOCIAL JUSTICE LOBBY. 175

APPENDIX J – SUBMITTED FOR THE RECORD, WRITTEN TESTIMONY SUBMITTED BY CHICAGO JOBS COUNCIL. 181

APPENDIX K – SUBMITTED FOR THE RECORD, WRITTEN TESTIMONY SUBMITTED BY THE CENTER FOR WOMEN POLICY STUDIES. 193

Table of Indexes 208

HEARING ON WELFARE REFORM:

AN EXAMINATION OF EFFECTS

Thursday, September 20, 2001

House of Representatives,

Subcommittee on 21st Century

Competitiveness,

Committee on Education and the Workforce,

Washington, D.C.

The Subcommittee met, pursuant to call, at 10 a.m., in Room 2175, Rayburn House Office Building, Hon. Howard P. "Buck" McKeon presiding.

Present: Representatives McKeon, Isakson, Boehner, Johnson, Osborne, Mink, Tierney, Holt, Rivers, McCollum, and Andrews.

Staff Present: Stephanie Milburn, Professional Staff Member; John Cline, Professional Staff Member; Scott Galupo, Communications Specialist; Patrick Lyden, Professional Staff Member; Whitney Rhoades, Legislative Assistant; Deborah L. Samantar, Committee Clerk/Intern Coordinator; Heather Valentine, Press Secretary; Brendan O'Neil, Minority Legislative Associate; Jennifer Helfgot, Legislative Assistant to Mrs. Mink; Michael Nardelli, Executive Assistant to Mr. Tierney; Cindy Brown, Legislative Director for Mr. Kind; Dana Grey, Legislative Assistant to Ms. Rivers; Erin Dady, Legislative Staff, Ms. McCollum; Charles Matthews, Legislative Assistant to Mr. Andrews; Richard Martinez, Legislative Assistant to Mr. Hinojosa; and Ruth Friedman, Minority Committee Fellow.

Chairman McKeon. A quorum being present, the Subcommittee on 21st Century Competitiveness will come to order. We are meeting today to hear testimony on the effects of welfare reform. Under Committee rule 12(b), opening statements are limited to the Chairman and the ranking minority member of the Subcommittee. Therefore, if other members have statements, they may be included in the hearing record.

With that, I ask unanimous consent for the hearing record to remain open 14 days to allow members' statements and other extraneous material referenced during the hearing to be submitted in the official hearing record. Without objection, so ordered.

I will begin this morning with my opening statement and first apologize for being late. I appreciate your being here on time. There is a great deal of traffic out there this morning.

OPENING STATEMENT OF CHAIRMAN HOWARD P. "BUCK" McKEON, SUBCOMMITTEE ON 21st CENTURY COMPETITIVENESS, COMMITTEE ON EDUCATON AND THE WORKFORCE, U.S. HOUSE OF REPRESENTATIVES, WASHINGTON, D.C.

Good morning. Thank you for joining us for this important hearing. Today the Subcommittee is holding its first meeting to hear testimony on the effects of welfare reform and the temporary assistance for needy families block grant. This Committee played a central role in crafting the work-related provisions in the Welfare to Work program that make up the heart of the new system. I look forward to working with all of you as we continue the important debate on Welfare to Work.

We will examine the outcomes and impact on work and families as we look toward reauthorization of the far-reaching legislation of 1996. We particularly are interested in evidence regarding whether the law has resulted in reducing welfare dependence and increasing work. This hearing will give us a chance to look back on the law's implementation, assess the current situation and look forward to changes that may be necessary to build upon the foundation already created.

The effects of the law have been nothing short of dramatic. The caseload across the country and in my home State of California has dropped over 50 percent since its peak in the early 1990s. States continue to make significant investments in work programs and childcare to support working families, and employment by single mothers continues to rise. Since 1993, there has been a 50 percent increase in the number of never-married mothers who had a job.

Increased employment has resulted in higher earnings for families, and child poverty has declined. The average earnings of those who have left the welfare rolls are well above the minimum wage. Even with the robust economy of the late 1990s, recent studies confirm that welfare reform is largely responsible for the declining caseload and

increase in work.

We know some families continue to face challenges as they move from welfare to employment and self-sufficiency. In our discussion today and in the future, I am sure we will have the opportunity to look at innovative approaches throughout the country that aim to address these issues.

As we look ahead, I anticipate much of our debate will center on the best way to support individual success in the workplace. I look forward to hearing the testimony of our witnesses today, who have expertise in this field as researchers and implementers. I know they will offer us insight into the tremendous strides that have been made, as well as thoughts on further steps that need to be taken.

WRITTEN OPENING STATEMENT OF CHAIRMAN HOWARD P. "BUCK" McKEON, SUBCOMMITTEE ON 21st CENTURY COMPETITIVENESS, COMMITTEE ON EDUCATON AND THE WORKFORCE, U.S. HOUSE OF REPRESENTATIVES, WASHINGTON, D.C. – SEE APPENDIX A

Chairman McKeon. With that, I would like to recognize Congresswoman Mink for any statement that she has at this time.

STATEMENT OF RANKING MEMBER PATSY T. MINK, SUBCOMMITTEE ON 21st CENTURY COMPETITIVENESS, COMMITTEE ON EDUCATON AND THE WORKFORCE, U.S. HOUSE OF REPRESENTATIVES, WASHINGTON, D.C.

Mrs. Mink. I thank the Chairman, and I thank you for calling this hearing on the impact of welfare reform. I would like to share my thoughts on this subject for which I have a very deep interest and concern. As some might recall, I was the sponsor of the Democratic substitute during the final House debate in 1996.

The past 5 years have been nothing less than disastrous for many welfare recipients. Most are still living below the poverty line; 30 percent have not found jobs. Those who have earn only around $7 an hour on average. With the median income among employed former recipients only $10,924 in 1999, many families who have lost or left welfare cannot afford health insurance or child care and sometimes cannot pay for food or rent.

Notwithstanding, many believe the 1996 welfare reform law has been a resounding success since the primary goal was removing people from the welfare rolls. But consider how TANF treats poor mothers.

TANF requires poor mothers to go to work and abandon their children all for the sake of the work ethic that ignores the economic and social value of caring for one's own children. TANF requires mothers to disclose who the father of their child is before they can receive welfare. This is massive invasion of privacy.

Later this month I will be introducing legislation that amends TANF in various ways.

Education is an essential part of gaining access to better paying jobs that include benefits. My bill will expand the concept of work activity to include education skills enhancement and training. Welfare programs must encourage education and job training and not punish people by taking away their benefits when they are in school or training for a career.

The bill will also define care giving for one's own young or disabled children as a work activity that satisfies the TANF work requirement. Current work requirements are too restrictive. The "work first" policy forces individuals into low-paying jobs and forces parents to take jobs even though the children may need them at home.

The 5-year time limit for receiving TANF benefits must also be amended. My bill includes several instances where the clock is stopped, including when a parent is in school or training, job training, caring for a child under age six or is a victim of domestic violence. My bill prohibits full family sanctions and assures that children will never be without benefits even if their mother loses hers.

It also makes the paternity establishment and child support cooperation provisions voluntary for mothers. Current policy strips mothers of their constitutional rights by forcing them to disclose the identity of biological fathers to welfare agencies.

The illegitimacy bonus that is currently awarded to States who lower their non-marital birth rate will be eliminated under my bill. Instead, a poverty reduction bonus will be awarded to States that lower poverty rates the most. The childcare guarantee must assure parents that their children will have quality childcare when they work or attend school.

Finally, my bill will explicitly require TANF agencies to abide by title 7 and title 9 prohibitions again sex discrimination. It also spells out the applicability of anti-discrimination and labor laws in the TANF program. TANF needs to be revised so that getting off welfare means being able to earn an education as well as enough money to support the family.

Mr. Chairman, I would like to ask unanimous consent that four essays that are included in the Annals of the American Academy of Political and Social Science, entitled "Reforming Welfare, Redefining Poverty," issued September 2001, be inserted in the record.

SUBMITTED FOR THE RECORD BY RANKING MEMBER PATSY T. MINK, SUBCOMMITTEE ON 21ST CENTURY COMPETITIVENESS, COMMITTEE ON

EDUCATON AND THE WORKFORCE, U.S. HOUSE OF REPRESENTATIVES, WASHINGTON, D.C., ESSAYS, "REFORMING WELFARE, REDEFINING POVERTY," FROM THE ANNALS OF THE AMERICAN ACADEMY OF POLITICAL AND SOCIAL SCIENCE – SEE APPENDIX B

Chairman McKeon. Without objection, so ordered. Thank you.

Chairman McKeon. I would now like to welcome and introduce our witnesses. We will hear first from Dr. Ron Haskins. Dr. Haskins is a Senior Fellow and a Co-director of the Welfare Reform and Beyond project at the Brookings Institute. He is also a Senior Consultant at the Annie E. Casey Foundation.

Until January of this year, Dr. Haskins was Staff Director of the House Ways and Means Human Resources Subcommittee and was instrumental in the drafting of the 1996 welfare reform legislation.

Then we will hear from Mr. Robert Rector, Senior Research Fellow at the Heritage Foundation, his areas of expertise being welfare and poverty. Mr. Rector is an authority on the U.S. Welfare system, and he too played a role in crafting the welfare reform legislation passed in 1996.

Mr. Joel Potts is the Temporary Assistance for Needy Families Policy Administrator for the Ohio Department of Job and Family Services. He has also served as Deputy Director of the Ohio Department of Human Services Office of County Operations. Mr. Potts has been an integral part of welfare reform planning and assessment in the State of Ohio.

And then we will hear from Dr. Heather Boushey, an economist at the Economic Policy Institute. Her areas of expertise include labor markets, unemployment, gender and race inequality and welfare reform and, as such, she has authored many reports, books and articles on these subjects.

Finally, we will hear from Dr. Sanford Schram, a professor. Dr. Schram teaches social theory and social policy in the Graduate School of Social Work and Social Research at Bryn Mawr College. He is the author of numerous books on welfare and public policy.

Before the witnesses begin their testimony, I would like to remind the members that we will be asking questions of the witnesses after the complete panel has testified. In addition, Committee rule 2 imposes a 5-minute limit on all questions.

I think you all are familiar with how we work here. You have 5 minutes. We have your full written testimony in the record.

We are happy now to turn the time over to you. When that green light comes on, your time starts, the 5 minutes; when the yellow light comes on, you have a minute left; and when the red light comes on, it is all over.

We will hear first now from Dr. Haskins.

STATEMENT OF DR. RON HASKINS, SENIOR FELLOW, THE BROOKINGS INSTITUTE, WASHINGTON, DC

Mr. Haskins. Chairman McKeon and Mrs. Mink and members of the Committee, thank you so much for inviting me today. I am greatly honored to be here. As you pointed out, I was also greatly honored to have the opportunity to work on the welfare reform legislation and with many of the members and staff of this distinguished Committee. And we worked together as a team; the Education Committee played a very important role in drafting that legislation.

I would like to make just one major point and several minor points. The major point is this: Our Nation has decided that it will dramatically change the way it attacks poverty and dependency. In the old days, to put it in a colloquialism, "we gave stuff away".

Between 1964 and 1995, we increased spending on the means testing programs from about $40 billion to over $350 billion. And yet child poverty increased. Crime increased. Non-marital births increased dramatically. We did not solve any social problems despite an explosion of programs and spending.

In 1996, the Congress, on a bipartisan basis and in a law signed by a Democratic President, decided to change this course and the change involved this: Require people to work. Have a much more demanding welfare system that imposes time limits, imposes work standards, and sanctions people who don't meet them. Make the public benefits contingent on work, and then subsidize the work with an earned income tax credit, with food stamps, with Medicaid and a host of other benefits.

So, if you like, this is a highly bipartisan solution. For Republicans and hard-liners there were tough work requirements that are consistent with what the American public expects and wants; and for liberals and Democrats there are very generous work supports that mostly have worked well.

There are some problems, and we should talk about those. So that is the major point I want to make. We should preserve this approach. It is the heart of the reforms to require work and then subsidize it.

Now, as you pointed out in your opening statement, and I give extensive details in my statement, there has been a substantial decline in the rolls. Several of the witnesses

and many economists and others say that it is primarily because of the economy. I really cannot give credence to that argument. We had spectacular economies in the 1960s and in the 1908s; and the welfare rolls not only didn't decline, they increased; 12 percent in the 1980s as the economy added 19 million jobs. That is very difficult to explain if a hot economy sucks people off the welfare rolls.

So this is the first time that we have had a hot economy that really accounted for a substantial decline in rolls. And indeed if you look at figure one in my testimony, you will see we virtually never have had a decline in the rolls in the past. So this is completely unprecedented, and it is extremely important because it is the first step toward independence to get off welfare.

Second, and again I think almost nobody denies this, there have been very substantial, extremely impressive, unprecedented increases in employment among single parent families and especially among never-married, single parent families, exactly the families that Congress believed needed to be wrapped in a blanket of entitlement benefits because they were not capable of supporting themselves. And they have shown that they can move successfully into the workforce into $7- or $7.50-an-hour jobs; and along with earned income tax credit and food stamps, which if a mom has two children and earns $10,000, as Mrs. Mink offered as an average, that comes to $16,000, which is far more than welfare in any other State, even if you include food stamps in the welfare benefit.

And indeed, in almost every State, if you take half-time work at a minimum wage and get all the benefits to which you are entitled; you are better off than you were on welfare in that State. So the system works and employment has increased dramatically to kick in these work benefits.

Third, poverty has also declined very substantially. I did several different views of poverty in my testimony. And figures 1 and 2 both give lots of details. Let me just mention a few things. First, in every year, the welfare rolls have declined since 1996, and poverty has declined. Now think of that for a minute. Welfare is down more than at any time in the past and poverty is down. Black child poverty in 1997 and 1999 declined more than in any single year in history, and at the end of 1999 black child poverty was the lowest it has ever been.

Similarly, child poverty was lower than it has been since the late 1970s. So there have been big declines in poverty.

I also want to mention that there has been substantial leveling off in family composition, in the increase of non-marital births, which is something that has been a huge problem in this country; and after several generations, we have a leveling-off. And, in fact, the most recent data shows that in 1999 we had a slight up tick for the first time in over 30 years in the percentage of kids and two-parent families.

There are definitely problems, and I assume we will have a chance to talk about those during the question-and-answer period. One of the most important is that some families have been left out of this progress, and they are worse off.

Finally, let me say that in doing reauthorization, Congress, I think, should do three things. First, they must maintain full funding. I have no doubt that there will be serious attempts to cut the funding; I believe that would be a huge mistake.

Secondly, we should perfect the food stamps program, and we have already taken small steps in that direction. The single biggest impact on child poverty of anything the Congress could do, in my opinion, is to make the food stamp program work so the families leaving welfare get their food stamps.

And finally, like Mrs. Mink, I would end the illegitimacy bonus. I would also end the overall performance bonus, and I would make that money available every year to States to do large demonstrations to attack these problems that we just talked about families that are worse off, increasing marriage, and also making sure families get their food stamp benefits and also programs for fathers.

We are on the right track. This new system is working better than anything we have had before. We should maintain the direction we are moving in now. Thank you.

WRITTEN STATEMENT OF DR. RON HASKINS, SENIOR FELLOW, THE BROOKINGS INSTITUTE, WASHINGTON, DC – SEE APPENDIX C

Chairman McKeon. Thank you very much. Mr. Rector.

STATEMENT OF ROBERT RECTOR, SENIOR RESEARCH FELLOW, THE HERITAGE FOUNDATION, WASHINGTON, DC

Mr. Rector. Thank you for having me here to testify today.

Since the beginning of the War on Poverty, this country has spent $8.1 trillion aiding the poor. But for most of that period, prior to the 1990s, most social indicators about the poor and the conditions of the lower-income class has actually been getting worse rather than better. I think that in the mid-1990s, at least with regard to AFDC and TANF, we did turn a corner and began to design a new type of welfare system that has been dramatically more effective in meeting our social goals and actually helping the poor.

The conventional welfare system basically said two things. It said to a mother who had children that we would give her $14- to $15,000 a year in combined welfare benefits on two conditions. We didn't just hand this out. We were very precise. We said we don't want you to work and we don't want you to be married to an employed male.

I call this "The Incentive System From Hell." It is a truly psychotic system that has destroyed the lives of millions of children, and it is very disturbing to me to hear any

suggestion that we would return to that type of system of open-ended, one-way entitlements that rewards non-work and non-marriage.

When we passed welfare reform, almost all of the welfare establishment in this country was unanimous in its dire predictions. They told us that even in good economic times, and I repeat, even in good economic times, that bill would increase the number of poor people in the United States by 2.6 million. But, in fact, what has happened is that we have decreased the number of poor people in the U.S. during this period by nearly 5 million. There are 2.3 fewer million poor children in the U.S. Today.

But, at the same time, as poverty has gone down, the welfare caseload has been cut by roughly 50 percent. The black child poverty rate is now at the lowest point in U.S. history. At any point in the history of this country, from 1757 to the present, we now have fewer black children in poverty than at any other time.

The poverty rate of children living in single-mother families is now at the lowest point in U.S. history, the lowest point in any measured point. From 1775 to the present, we have fewer poor children and single-parent families than ever before.

Everyone told us that this bill would generate huge increases in child hunger. In fact, according to USDA, the child hunger rate in the United States has been cut in half in the last 4 years.

The deep poverty rate, the percentage of families with incomes less than half the official poverty threshold has also been substantially cut by over a million families during the same period.

Employment of single mothers, particularly the quote, "least employable single mothers" has increased at really almost unbelievable rates. If you look at single mothers who are high school dropouts, the single mothers who were never married, these are our most vulnerable group. Employment in that group has increased some 50 to 100 percent since the passage of reform, absolutely unprecedented changes.

The out-of-wedlock childbearing rate when the War on Poverty began in 1965, 7 percent of children were born out of wedlock. During the entire course of the traditional War on Poverty, that rate grew at almost 1 percent per annum until, by 1995, the rate was around 32 percent, increasing at about one percentage point a year. And if we had continued that trend, we would now be approaching close to 40 percent of all American children born out of wedlock.

But what happened was, that rate leveled off and has flattened out. The percentage of black children residing in married-couple families, for the first time in recorded history since the last half century, has actually substantially increased, thereby contributing to a decrease in black child poverty. The percentage of black children residing simply with single mothers has gone down substantially.

Almost any credible analysis would say that these changes are unprecedented and they cannot be linked to any changes in the economy. The economy was clearly a good background-contributing factor, but the economy alone would not have been at all

sufficient. It was the good economy, coupled with the work requirements in the act that caused these significant changes.

Now, if I would just point out two things that we need to look at in the future. One is, it is completely erroneous simply to look at data on mothers that exited off the AFDC rolls. The most important thing is that many, many mothers never entered AFDC or TANF, and thereby had a better route out of poverty because they never fell into dependence in the first place.

The second thing to recognize is that welfare spending, even with this reform, continues to grow too fast. Today, we spend $1.30 on means-tested aid for every $1 we spend on national defense. Under the President's proposed budget, that will rise in the next 5 years to $1.70 on means-tested welfare for every $1 on national defense. Clearly, we cannot continue to simply expand in that manner.

Thank you very much.

Chairman McKeon. Thank you.

WRITTEN STATEMENT OF ROBERT RECTOR, SENIOR RESEARCH FELLOW, THE HERITAGE FOUNDATION, WASHINGTON, DC – SEE APPENDIX D

Chairman McKeon. Mr. Potts.

STATEMENT OF JOEL POTTS, TANF POLICY ADMINISTRATOR, OHIO DEPARTMENT OF JOB AND FAMILY SERVICES, COLUMBUS, OHIO

Mr. Potts. Yes, sir. Thank you Mr. Chairman, members of the Committee.

In Ohio, we have been able to successfully implement the Ohio Works First welfare reform program. The unprecedented flexibility and approach afforded the agency by Congress has allowed Ohio to move forward with fundamental reform in the welfare system. While safety nets still remain in Ohio to serve the children of those who do not work, the primary focus of welfare reform in the State has moved from a system focused primarily on providing cash payments to a system bringing stability and self-sufficiency to people's lives through the promotion of a Works First workforce philosophy.

Today, there are fewer Ohioans receiving monthly benefits than at any time since 1967, a 74 percent reduction. This reduction in caseload has provided the State with significant funding to go along with the flexibility provided by Congress. The result is a model for welfare reform highlighted with more families being served, fewer welfare-

dependent families, increased earnings, decreased poverty for those formerly in the system and broad community support and involvement.

We operate our system in Ohio very much like TANF is functioning with the States. We provide the same types of flexibility in more or less block grants, a good portion of the funding to the counties. And the counties have done a lot of very unique things that we would have never thought possible before.

I would like to point out also, I think one of the real misunderstandings about welfare reform, especially in Ohio, but certainly in the other States that I have worked with, this has not been a harsh approach on welfare reform. This has been a very compassionate approach. It has allowed us to do things and work with families in a way that would never have been funded or allowed in the old AFDC program.

To meet the needs of poor families, these counties are now making use of the programs in a wide variety of ways to deal with problems unique to their communities. Just quickly, a couple of examples:

In Hamilton County, or Cincinnati, they work with a group of not-for-profit individuals and groups to provide services to what we used to refer to as the hard-to-serve, generational welfare families. They have worked with these families since 1997. They have worked with over 3,000 families that, again, were generational. Of those 3,000 families, fewer than 150 have returned to public assistance. The rest have been able to stay off the system at an average cost of $1,500 per case served.

In Montgomery County, in Dayton, Ohio, they have worked with juvenile justice systems and have taken 150 cases of individuals that had been repeat offenders, and they have had problems in and out of the juvenile justice system for years; 150 of those individuals were referred to the county child and family service agencies if they were already involved in the welfare system.

Over the last 18 months, the agency has been able to work with these families and work with these children, and of those 150, only one of them has returned to the juvenile justice system, with 40 percent of those individuals being teen women. There have been no teen pregnancies during that period.

Again, it is unprecedented the types of things they have been able to do. But, again, the primary focus is clearly on work.

We want to make sure the cornerstone of welfare reform in Ohio remains and we want to make work pay. Frankly, I think it is unconscionable that we operated a system in this country for 60 years that encouraged people to stay home, instead of providing support so that they could work, get out of poverty and provide adequate support for their families. And what we are finding is nothing short of remarkable.

We are finding that they are working, that two-thirds of former recipients are currently in the workforce. Of those who are not working, according to studies that we have performed, over 90 percent of them said they were not currently looking for work. They are working a full week or averaging 38-1/2 hours. Their earnings are up, earning

on average, in Ohio, $8.65 an hour or $1,410 a month.

Their children are over 83 percent indicate that their children have health care coverage. They are finding work close to home; 50 percent of those respondents travel less than 15 minutes to work and 85 percent of them travel less than 30 minutes.

And they are not coming back. Most say that they don't intend to return to the system. For the first time in our history, we are spending more money in welfare dollars to support work than to support dependency.

I think in order to really understand what we are doing you have to recognize that welfare reform is a package. You can't look at it as an individual thing. It is not just the economy. It is not just sanctions. It is not just time limits. It is not just work supports. Different things will motivate individuals in different ways. And what we have been able to do is put together a package that really helps provide the support families need to break that cycle of dependency and to get out of poverty.

Our requests from Congress for reauthorization are quite simple. We have three things we would like. First, stay the course. We think that with the 34-year low in case loads and studies show that 60 percent of those families formerly dependent on welfare are no longer living in poverty is a clear indicator that this is a much better way to spend our funding than to support dependency.

Second, we urge Congress to continue funding at the same levels.

And, third, we want to continue the option to transfer 30 percent of TANF dollars to the Child Care Development Fund and social service block grants, which provides tremendous support services to again help us make work better.

We are at a true crossroads. We know more about these families than we have ever known before. We learned more in the last 5 years than we knew in the last 60 years.

We talk about the hard-to-serve; the truth is, some of these families were never served. We didn't know what their needs were. We now know an awful lot. We have had experiences and experiments from all over the country that we can learn from.

We need to decide whether we want to go forward or not. Something we have always known is that employment is the best long-term plan for parents in order for them to be able to support their children, and we would like to continue in that process.

Thank you.

Chairman McKeon. Thank you very much.

WRITTEN STATEMENT OF JOEL POTTS, TANF POLICY ADMINISTRATOR, OHIO DEPARTMENT OF JOB AND FAMILY SERVICES, COLUMBUS, OHIO – SEE APPENDIX E

Chairman McKeon. Dr. Boushey.

STATEMENT OF DR. HEATHER BOUSHEY, ECONOMIST, ECONOMIC POLICY INSTITUTE, WASHINGTON, DC

Ms. Boushey. Thank you, Chairman McKeon and Mrs. Mink, for inviting me to speak here today.

The Personal Responsibility Act marked a profound change in American social policy, and it is a privilege to be able to talk to you about this legislation's effect on working families. Since this legislation was passed 5 years ago, researchers have undertaken a great deal of research to understand what has happened, and I would like to go over a few of the most important findings.

First, we all know and it has already been pointed out today that case loads have fallen dramatically, and they began falling prior to the passage of the Personal Responsibility Act. However, economists have looked at this issue and found that a great deal of the falling case loads can actually be attributed to the strong economic growth and strong labor demand that we experienced in the second part of the 1990s. In fact, most of the fallen caseload is attributable to the strong economy.

As the economy dips into a recession over the next few months, we must be clear about the limits of this piece of legislation to help people acquire and maintain employment as unemployment rises. Many families have been unable to maintain full-time, stable employment even during this economic boom.

We know from studies in communities and States around the Nation that 40 to 70 percent of families have someone who is working. Among those who are working, however, only a slight majority are working more than 35 hours a week. This means, at most, in communities all around the country that only a slight majority, and perhaps a minority, of former welfare recipients are employed in stable, full-time employment. Again, as we think about what is going to happen as the economy dips into a recession, it may be difficult to maintain these employment levels with rising unemployment.

For those who are employed, wages are often too low to enable families to escape poverty and to avoid material hardships. Average wages for former welfare recipients range from $6 to $8 per hour, which puts these families below the poverty line. Those low wages show up in a proportion of working families living in poverty.

Although poverty has fallen dramatically for most families around the country, there is one demographic group for whom it has not fallen, and that is for people living in families headed by a single, working mother. Between 1995 and 1999, the poverty rate

for these kinds of families remained stagnant after accounting for taxes and transfers.

Further, people living in families headed by a single, working mother are actually deeper in poverty now than they were in 1995. This is after substantial decreases in the poverty rates for these families between 1993 and 1995.

There are real consequences for these high poverty rates for these families. Among families that left welfare over a year ago, who have a full-time worker, the success cases, one-quarter of them go without food, adequate shelter or necessary medical care.

And we have made great progress in implementing the kind of work supports that could help families move into employment and care for their families. However, we still have very far to go. Looking only at child care as an example, particularly because it is such an important area seeing as welfare families are, by definition, almost always families with young children headed by single women the total Federal dollars available for child care have nearly doubled since the early 1990s. But, still, only about 12 percent of families who are eligible for these subsidies are actually receiving it.

So I cannot stress enough that it seems to be one of the most important areas to be thinking about in terms of TANF reauthorization. There is some good news, but for millions of the current and former welfare recipients, the economic well-being has not improved.

I cannot stress enough the role of the strong economy that we experienced in the second half of the 1990s and the potentially less robust economic times in front of us. The long economic boom is surely over now, and the tragic events of last week will most likely tip the economy into a recession.

The unemployment rate had jumped four-tenths of a percentage point in August and it is highly likely that it will jump again when we get the numbers for September. This is a full percentage point higher than it was a year ago.

Since the success of TANF was highly dependent on strong labor demand, we need to be thinking about ways that TANF reauthorization can work with policies to help keep unemployment low and policies such as raising the minimum wage to help these families maintain employment.

Thank you.

WRITTEN STATEMENT OF DR. HEATHER BOUSHEY, ECONOMIST, ECONOMIC POLICY INSTITUTE, WASHINGTON, DC – SEE APPENDIX F

Chairman McKeon. Thank you. Dr. Schram.

STATEMENT OF DR. SANFORD SCHRAM, GRADUATE SCHOOL OF SOCIAL WORK AND RESEARCH, BRYN MAWR COLLEGE, BRYN MAWR, PENNSYLVANIA

Mr. Schram. Thank you, Chairman McKeon and Congresswoman Mink, for inviting me here today.

Some aspects of welfare reform have worked for some families. Some aspects have not, so much so that I would suggest that the much-heralded claim that welfare reform is a success is very much premature.

A good part of the problem stems from the fact that public discourse has, in questionable ways, shifted the frame of reference from poverty to dependency. As a result, reductions in welfare caseloads are misleadingly seen as the primary measure of success, when poverty remains the pressing issue.

In addition, numerous claims have been made for the success of welfare reforms that are questionable at best. These claims are that welfare reform has reduced poverty and done other wonderful things for families. Yet I would suggest that important questions need to be asked about these claims before we can develop a clearer picture of what welfare is doing. Taking a critical eye to existing research helps us pose these questions.

First, contrary to numerous claims, it is not even clear from available research that welfare reform is the major reason for the dramatic declines in case loads that occurred in the early 1990s. Economic growth of the 1990s may very well have been a much greater factor in reducing the number of recipients, and reform of welfare may have, instead, played only a marginal role.

In addition, where welfare reform has had an effect, it has most often been where the economy has created opportunities for people to forgo needed assistance.

Lastly, welfare reforms limited contribution to reducing caseloads has included forcing people off welfare when they are not ready to support their families on their own. Sanctions are far less effective than education in promoting self-sufficiency. Therefore, for these reasons and others, caseload declines that have occurred should not be seen as primarily the result of welfare reform assisting people to leave welfare.

The focus on welfare reform as the key factor in reducing the case loads has been overemphasized and exaggerates the extent to which reform is helping recipients leave welfare and achieve self-sufficiency.

Second, there is no real evidence that welfare reform has done much to reduce poverty. The trend line data that is offered by some analysts is misleadingly confusing correlation with causation. While poverty rates overall have declined during the years of welfare reform, it is not clear that it is the result of welfare reform. More to the point, a recent report from the Center on Budget and Policy Priorities indicates, quote, among

people in families headed by working single mothers, there is no progress in reducing poverty between 1995 and 1999 despite an expanding economy. In fact, it very well may be the case that welfare reform has erased what poverty reduction the economy produced among single mothers with children.

While economic growth in the 1990s reduced poverty among the single mothers with children, welfare reform increased poverty among this group. The net effect has been that poverty levels for single mothers with children have not changed much at all, even as poverty has declined among the population overall. While economic growth was reducing poverty for single mothers with children, welfare reform replaced welfare receipts with low-wage jobs for many and no jobs for still others.

In addition, welfare reform has resulted in many families who now go without assistance also not receiving needed entitlements of food stamps, medical assistance and childcare. As a result, welfare reform has for many families resulted in net reductions in income transfers for government, thereby reducing their incomes and erasing the gains in income that have come from taking paid employment.

Third, the overemphasis on the people leaving welfare has led to insufficient attention being given to the hardships suffered by family who have left welfare. Studies of "leavers," as they are called, indicate that most are working, but not full-time; and many others, as much as a third, are not working at all and are without consistent income support. Many of these "leavers," as many as half, are among the families that end up not getting needed assistance such as health insurance, food stamps, child care and the like for which they remain eligible.

Therefore, low wages, underemployment and other factors are combined with a bureaucratic disentitlement to the make the transition extremely painful for many families leaving welfare. As a result, the overwhelming majority of the "leavers" remain poor several years after going off public assistance. Therefore, a closer examination of the research on welfare raises troubling questions about its effects and calls into question its supposed success.

Welfare reform has not been known to play a major role in reducing welfare dependency; it is also being shown to increase poverty. It is imposing new hardships and introducing new forms of discrimination. Thank you.

WRITTEN STATEMENT OF DR. SANFORD SCHRAM, GRADUATE SCHOOL OF SOCIAL WORK AND RESEARCH, BRYN MAWR COLLEGE, BRYN MAWR, PENNSYLVANIA – SEE APPENDIX G

Chairman McKeon. Thank you very much. One thing that I didn't hear any of you address, maybe I just missed it; but it seems to me that when people get off of welfare that there is a benefit other than dollars and cents, and that is the help that it gives to their self-esteem.

I was visiting a program in our county, and one of the ladies that had graduated, gone through the program starting from very low level, training up to, you know, how to get a job and helpful measures in teaching her. This lady had been on welfare for years, and she was back now as a graduate; successful, off the program, talking to a class of participants in the program. And the story she related to them, how much better she felt about herself and how her children felt better about her; and how she was now able to buy them shoes and the things that they desired that she never could help them with before, and how much better she felt about herself and the fact that she never ever again was going to let herself fall into needing welfare.

It seems to me that that is one of the great benefits that we can't compare just in dollars and cents, but just the good feeling that a person has when they are able to provide for themselves, which I know that we would like it see all people able to accomplish.

Dr. Haskins, you mentioned that you had other problems that the 5 minutes didn't give you time to relate to. Let me just give you one question and maybe you can address that, and we'll talk about some of those other things.

In your testimony you State that Congress should address the plight of floundering families that have found it difficult to either work or maintain their eligibility for welfare, as well as families that are working, but having difficulty advancing to better jobs. You suggest Congress can do this by establishing demonstration programs to determine effective means of assisting these families.

Can you share any examples of existing demonstration projects in States that aim to address these issues and assist these families. What successes are States and localities having in this?

Mr. Haskins. We don't know at this point what success States are having, because we do not have any good evaluations of these studies that I am aware of. Some of the other panelists may be aware of it. I do know that this is an effect that was almost inevitable, that if you are going to have a system based on work, which apparently we now are, there are going to be families that have trouble working. They have personality disorders, they have borderline retardation, they have lots of children, and they have transportation problems and so forth.

And we have pretty good studies showing that there are lots of families with these multiple barriers to employment. So we shouldn't just forget them. They are on the rolls both because they haven't been able to get off and, even worse, they are off the rolls and we lose track of them because they don't even meet the demands of the welfare system. In the old days they could just stay on welfare forever. They can't do that anymore, so they are both off the rolls and they are on the rolls.

So what we should do is learn how to do a better job with these families. Now there is a woman named Toby Herr that would be excellent, if you are interested in pursuing this. She is in Chicago, and she has been studying this problem for years and years; and probably the main message that comes out of her work is small steps, lots of

failure, go back to the beginning.

It is exactly like addiction programs. Addiction programs take in a bunch of people. They don't work. Maybe 10 percent of the people stay out, you know, on the wagon for a year or more. But if the clients come back for a second and third and fourth time, and if they remain committed, then they succeed. And that is the same thing that Toby Herr has found with these families, that eventually they can become productive, they can hold a full-time job.

Now, I do think that we should realize that not everybody will be able to do that. I think we will always have a certain number of families that will not be able to support themselves. And so I think we have to have a system that allows for them to stay on welfare well beyond the 5-year limit.

We have a 20 percent exemption now. When we passed the 20 percent exemption, Congress thought that was a big denominator. It is 20 percent of a big number, 5 million, and now it is down to almost 2 million, so it is many, many fewer in that 20 percent.

But no State has yet shown that it needs more than 20 percent. I think we ought to look at that number. The Committee should try to find if 20 percent is an adequate number. The trick is to maintain that tension so that people feel the pressure to get off welfare, which I think is what has been driving the case load down, because people feel they must work as a responsibility, and yet accommodate people who in the end cannot do it or cannot do it consistently.

Chairman McKeon. As I talk to people about welfare, those on and those that are not, they all seem to have a concern, they want able-bodied people to work. They want those who are not able-bodied always to be able to receive assistance. And I think people are pretty consistent in that feeling.

And I see my time is up. Mrs. Mink.

Mrs. Mink. Thank you, Mr. Chairman. I thank the panelists for their testimony.

There appears to be a wide distance between the statistics that are cited by the three gentlemen on my left and the two witnesses on the right with respect to the degree of poverty that continues to affect families on welfare. And as I listen to the testimony, I have to conclude that the statistics that show a downturn in poverty most likely have to do with the general conditions of our society; less people in the poverty arena, based upon total statistics for the entire population.

My concern is, a definition of the condition of families who were on welfare and who went off welfare; the statistics cite that everybody went off of welfare, went into job training, or education, and found a job, and were then taken off welfare.

To what extent do we know the specific condition of this group of persons over the last 5 years who were on welfare, the ones that are cited most, that were on welfare for a number of years, and because of the enactment of the welfare reform legislation,

then were put on a job track, obtained a job, and were then taken off of welfare.

If I could ask Dr. Schram first, do we have any good statistics that track the people on welfare, not just relate to the general economic conditions in our society of the total poverty among children, hunger among children in general, or the number of black Americans in poverty and so forth that we have heard earlier? Do you have anything that we could look at that relates specifically to our welfare recipients that we were directing the 1996 legislation towards?

Mr. Schram. Yes, I think that is a really good question, and I like the way you framed it. In terms of the general population, overall things have improved. For the welfare population I think it is a much different story and the picture is somewhat murky.

There are a lot of studies, and in fact, there is major survey being done by the Urban Institute that looks at families over time, the National Survey of American Families, and there is a lot of good evidence in that. It indicates that families leaving welfare are confronting all kinds of problems. I think when their incomes go up, they are doing better; and that would be great.

But for a lot of families leaving welfare, their net income is not going up; their wages may be higher; they may be working more; they may actually, in that sense, have more paid income coming in, which may increase their self-esteem if they can continue to sustain employment, which they often cannot; and find it very debilitating and crushing to their well-being, psychologically and emotionally, when they have to go back on welfare, which nobody wants.

They, however, often find that their incomes go down. And there is increasing research that indicates when their incomes go down, especially because they are not getting their income transfers that they got before; especially their Medicaid, their food stamps, their child care that they remain eligible for, and for various reasons are not getting; then they don't do as well.

Mrs. Mink. Well, what are those various reasons that they are not getting this other program assistance, even though they are entitled? What is the main obstacle that prevents them from getting these other entitlements, which other panelists have said, if you add to their low wages, means that they are getting more? But the problem is, they are not receiving these?

Mr. Schram. Right. I think this is a really big issue that reauthorization needs to address seriously. I think Congress had foresight and it put aside money to help States deal with what they call "decoupling" when these entitlement programs are going to be separated from welfare, and people were to get them even after they were no longer receiving welfare.

But a lot of States didn't use all that money. When they did use it, they didn't use it effectively. There was a lot of confusion. Caseworkers weren't really prepared for the shift. Clients were confused as well.

The system is largely designed to make sure people don't get benefits that they aren't entitled to. It is not designed to reach out and get people who are entitled to get their benefits. And we were just caught unprepared for this shift. Even though we tried to put money in the bill and tried to anticipate this, the problem is much larger and continues to persist in States across the country, where family after family is leaving welfare and they are not getting their entitlements. And in many cases, that means the net effect is that their income, overall, their net income, is going down.

And there is now evidence coming in that children under those circumstances aren't doing well, that their school performance declines, that their overall well-being declines.

And this is a major issue. A lot of families are moving off welfare, and the net effect is a decline in their income and a decline in family well-being, and this needs to be addressed.

Mrs. Mink. Thank you, Mr. Chairman. Are we going to have a second round?

Chairman McKeon. Mr. Isakson.

Mr. Isakson. Thank you, Mr. Chairman.

You know, as I listen, it is two members of institutes and economists and a professor; and the numbers of two of them are diametrically opposite to the others' numbers on exactly the same subjects. And if you read the testimony, it just depends on who subtracted what from which basis as to whether it justifies their position.

So I would like to ask my questions, and I respect the testimony of everybody, but we are really trying to find out. I particularly like what Dr. Haskins said about us not forgetting about those places we need to do some things to fix, which there certainly are.

But I thought Mr. Potts, the testimony that I read and the testimony that he gave was compelling, particularly with regard to the prevention, retention and contingency program in the State of Ohio. And we really ought to be focusing on those types of things rather than trying to justify whether we have done good or done bad.

I would just observe that if the welfare rate never declined until after this passed, then there is some reason to believe the economy wasn't the total reason that worked; and it doesn't take much to figure that out.

I want to ask Mr. Potts, as I understand the prevention and retention and contingency, that is primarily designed to provide training as well as assistance and include public diagnosis of problems where those who have, as the professor said, left the welfare system, so they don't lose benefits that they are still entitled to. Am I correct?

Mr. Potts. Mr. Chairman and members of the Committee, absolutely. About half the prevention, retention and contingency program in Ohio focuses on direct supports for work and training, ongoing supports. In many cases, we work with employers.

One of the staggering statistics that we had heard early on from business was that they felt that over 57 percent of the employees that they currently had would be the same employees they would have 10 years from today, but that less than a quarter of those employees actually had the types of skills that they felt would be necessary to be able to perform the job, as computer technology and different things caught up to them.

So we are focusing down to the community level. What does it take to help stabilize peoples' lives? Once we get them into work, how do we keep them at work? How do we continue to provide that continuing service so that they never fall back into the system?

Mr. Isakson. Does the contingency portion of the acronym, the C in the acronym to those contingencies the doctor was addressing, that people who were eligible weren't getting, such as in health care and Medicaid, if the numbers are true in what they are making, they are still Medicaid eligible.

The CHIP program certainly can cover their children, but I know from my experience in Georgia, many people aren't getting information about it. Therefore, they are not getting covered. The benefit is there, it is just the education is not.

Is that what the contingency does?

Mr. Potts. Mr. Chairman, Congressman, it could. A contingency is any type of emergency situation that family is facing that we need to address immediately. It could be things as simple as the car breaking down, the hot water tank going out, maybe there has been a flood that has damaged property. Maybe there has been a fire.

But it could also be the types of things referring to food commodities. For some reason, something happened; they need help in those areas. So it is any type of thing that we deem to be an emergency, one-time crisis situation that family is facing.

There are specific prohibitions in TANF that we can't use those dollars for health care, so we can't use them for those specific things. But we are using it for a lot of counseling referrals, casework management, long after the family is no longer eligible for cash assistance.

Mr. Isakson. How closely does the department track a former recipient after they gain employment and go off the rolls?

Mr. Potts. Mr. Chairman, members of the Committee, that is a great question.

Probably the biggest challenge we have had early on was to find out what happened to families once they left the system. For 60 years nobody asked. You know, we had 30-, 40,000 people who left public assistance every single month. Even though our caseloads may have been showing only a slight increase during these periods, there was always a churn. You could have 30- or 40,000 going off, 30-, 40,000 coming on. Nobody ever asked.

And frankly, when people are on public assistance, they don't like dealing with bureaucracies anyway. They don't like us prying into their personal lives. So when they left the system, the last thing that they wanted to do was talk to a caseworker on the phone and have somebody showing up on their porch and saying, What is going on? How is everything going? Can you answer some of these questions?

It was a real challenge early on. It has also been a real challenge for States in particular, the types of things that we have heard, the types of measurements of whether or not this a success or not.

If you read the Personal Responsibility Act, one of the things that is most glaring is, there is no mention of poverty in there whatsoever. You know, we were talking about totally turning a system upside down, on its head, creating a temporary program, focusing on work; and without question, every State that I have worked with has been successful in doing that. By "work," I think common sense would tell you if you really want to get somebody out of poverty, the only way you are really going to be ultimately successful at doing that is by supporting work; and I do think that the reduction in poverty is a by-product of welfare reform. It wasn't the goal of welfare reform.

So the measurements and the types of things that we are looking at, that target keeps moving, and whether we consider it to be a success or not depends on, you know, which side of the aisle you are on.

Mr. Isakson. Thank you, Mr. Chairman.

Chairman McKeon. Ms. McCollum.

Ms. McCollum. Thank you, Mr. Chairman. This is a very interesting and important topic that we are going to be dealing with. I was at the receiving end as a State legislator when the devolution came forward for this, so I worked on this as a State issue. And I am just going to briefly, Mr. Chairman, go through a few bullet points and then let the panel possibly respond, rather than direct individual questions, because my time is so limited.

Housing plays a huge and critical role and we know that housing is just as important as parents working to provide children stability, especially in education. In Minnesota, where I represent the metropolitan area, housing is at a crisis level for all families; child care, waiting lists for child care, child care being available when States were putting in educational programs, so that they would track with their vocational schools. And our 2-year institutions are in crisis and continue to be.

Health care, Minnesota had MinnCare, which had some provisions for poverty, working families. When the TANF and the child care CHIPS program and all the health care programs came in, Minnesota found itself being held in harm's way for having instituted programs. Before, it has handcuffed us from moving forward for families, especially those coming off welfare.

Education, 2-year programs, 18-month programs, and childcare. What do you do about somebody working? Do we expect a single mother to go to school, work part-time,

and then be a responsible parent being active in their child's development?

And I see the gentleman from Ohio. These are States' issues.

I am going to talk as a private sector manager for a few minutes. This is where it gets tricky for me. I know that the private sector works very carefully to keep down at times with some employers the amount of hours employees are working, because it kicks them into receiving health care and other kinds of cost benefit analysis. I know that because I used to get the report delivered to my desk, red-flagged for employees that had gotten to the point where they were at 32 or 35 hours consistently for 4 weeks in a row.

And then the other thing that I am finding very interesting in this discussion, Mr. Chairman, and we need to work as a Committee, working off one set of statistics, one set of definitions, so that we are all talking the same thing when we hear from panelists, when we hear from each other, because I am very interested in the statistics that were used by Mr. Rector in particular, which talked about the number of dollars spent on welfare.

And so I will start with that question, and then people can respond to the rest.

Mr. Rector, did you just include single families in your welfare, quote, unquote, statistics? Or did that include people on permanent Social Security disability? Did that include senior citizens?

Mr. Rector. The statistics I used are my own, but they very closely track a report that is done every 2 years by the Congressional Research Service. They are the total spending on means-tested or income-tested aid in the U.S. Means-tested programs are programs that are only available to someone below a certain income level. So food stamps, for example, are means-tested.

Ms. McCollum. Mr. Chairman, if I may, I asked, I thought, a fairly simple question. Did you include more than single mothers and single families in your statistics? Yes or no?

Mr. Rector. Yes.

Ms. McCollum. Thank you.

Mr. Rector. Single mothers receive about $150 billion a year out of total means-tested aid of 430 billion. But you do have to look simply beyond TANF to recognize that of all the aid that we give, we spend about $200 billion a year in means-tested aid for families with children. About 80 percent of that goes to single-parent families with children.

The welfare system as it affects children is almost exclusively a subsidy system for single parenthood. And if we had not had the collapse in marriage that we have had over the last 25 years, welfare, as this Committee understands it and as we currently spend money on it, simply would not exist at all. You have very close to a $150 billion expenditure that is the result of the growth of single parenthood.

Virtually the bulk of child poverty in the U.S. is also the result of this growth of single parenthood where we now have one child born out of wedlock about every 25 seconds. This is a huge national tragedy, and one of the goals of welfare reform that I don't think we did all that well with was trying to reduce out-of-wedlock childbearing. There have been some good secondary effects that have come from the work standards, but we need to do much more about that in the future.

Chairman McKeon. Mr. Johnson.

Mr. Johnson. Thank you, Mr. Chairman.

Dr. Haskins, I wonder if you could tell me, in your view, I think you said many young mothers who leave welfare for work lose their jobs and come back on the welfare roll. Do you know what the common reason for that is?

Mr. Haskins. I would say, by far the most frequent reason is a voluntary separation from employment. That certainly is true in coverage for unemployment. In order to get unemployment benefits, you have to have lost your job. You can't voluntarily separate.

And there have been studies that have shown that most of the women who are no longer employed and used to be on welfare, they don't qualify for unemployment insurance, not necessarily because they didn't meet the income standards and so forth, but because they voluntarily left their employment.

Another reason is undoubtedly that they lost the job. The job went away.

We are going to see a lot of that in this area over the next 6 months, and that is a perennial problem. A lot of low-wage jobs are temporary jobs, and people take them and work for 3 months or 3 weeks or 6 months, and then the job goes away, or the company folds; or there could be any number of reasons. So there are a whole host of reasons why mothers lose their jobs.

Also, another cause that people talk about, I have never seen a number on it, but it is a demise of childcare arrangements. Mothers run into problems with their childcare arrangements, and they are late or they miss days of work; and then they get fired, or they quit.

Mr. Johnson. Mr. Potts, are you in agreement that they lose their jobs because of unemployment insurance?

Mr. Potts. Mr. Chairman, members of the Committee, one of the things we are trying to study now also is, what are those driving factors. One thing that is fairly clear in the two statewide studies that we have done is that individuals that get jobs that don't provide benefits are the ones that are most likely to return. The more benefits they have, the less likely we are to see them return to the system. So we certainly have seen some indication of that.

We do some things in Ohio to help the employers even pay for the unemployment insurance, you know, to take chances to hire individuals that they may not have

considered in the past. So it is certainly a problem.

Mr. Haskins. Mr. Johnson, I didn't mean to say they lost their jobs because of unemployment insurance. What I said was that if you look at why mothers who left welfare do not qualify for unemployment insurance, it is because they voluntarily separated from their jobs. They left their employment without being laid off, and under our unemployment insurance systems, you can't cover someone who leaves voluntarily. They have to be laid off.

Mr. Johnson. Yes, but the question I asked you was why. And I think she indicated that it is hard for a woman to do childcare, work and go to school all at once; and I understand that. Do you think she is correct in that assessment?

Mr. Haskins. I think we are at a disadvantage here because I don't think we have good numbers for this.

Mr. Johnson. So we have no studies?

Mr. Haskins. I wanted to make the point to you, Mr. Johnson, that many of these separations are voluntary. One of the criticisms of the low-wage job market is that crummy jobs, they go away and people lose them and so forth. But there is control that a person has in those jobs, that in many cases based on their own decisions, whether it is their child care arrangements or whatever other factor, that they decide that they are going to leave the employment. And we shouldn't lose sight of that. That is a very important factor in answering your question.

Mr. Johnson. Okay.

Mr. Rector, you had a comment.

Mr. Rector. I think that probably the best way to approach this idea is to recognize that for very low-skilled workers, and the typical welfare mother has math and cognitive skill levels at 15 percent of the 85 percent of people are better skilled than she is. They have a hard time staying consistently in work.

However, if you look at the State of Wisconsin now, Wisconsin has cut its caseload by over 90 percent. And the remaining 10 percent of adults in Wisconsin are all engaged in community service work full-time. And what they found is, it is very difficult.

If your sole goal is just to say, we are going to take a hard-to-employ mother and try to put her in a job where she is never going to lose it, it doesn't work that way. But if you get her out and get her a job, she will bounce back in. But what they do is, when she comes back on the roll, the very day she comes back on the roll she goes back into community service work. She goes back into a sheltered workshop.

So she is always engaged. And what they find is when they do that she goes back out again. And she does, she bounces in and out because that is the nature of life.

And she bounces in and out because that is the nature of life. But as long as you say, we welcome you back. If you lost your job, by gosh we are here to help you. And I believe with the bottom of my heart. But when you come back on the roll, you have to everyday from the day you come back on, be engaged in constructive activity or community service work as a condition of getting the aid. And when you do that they don't stay on the roll very long. They go back in and they work their way up. It is never going to be a straight shot, where we get you one job, that it is it forever, good-bye, we don't have to worry about you. They are going to move in and out of the roll. But as long as you keep them busy you are going to help them climb out of poverty.

As a result of that, the child poverty rate in the State of Wisconsin has been cut in half. It has dropped more dramatically than any other State. They have cut their caseload by 90 and the whole caseload that is left on there is engaged in community service work. And that is the model that we need to go on. We need to realize that we have 2 million mothers still left on TANF. In my estimate, half of those mothers on any day of the week are sitting at home and not doing anything. It is a travesty. We shouldn't permit it.

Also, in many States, an individual, if you require them to come in and look for work, they can say drop dead. I absolutely refuse. I will not come in and look for work and they continue to get the bulk of their benefits. That is particularly true in California and New York State. They can tell you to your face, drop dead. I refuse to do what you want and they continue to get their benefits as an entitlement. Federal money should not be spent in that way and we should not allow that to occur. It is harmful to the recipient, the taxpayer and the kids.

Mr. Johnson. Thank you. Thank you, Mr. Chairman.

Chairman McKeon. Mr. Holt.

Mr. Holt. Thank you, Mr. Chairman. Just to follow on that last comment, I want to emphasize and I think all of my colleagues know this; what we are looking for is not anecdotes about some recipient saying drop dead. What we are looking for is good, hard evidence. And this is a field where for years ideology has colored the evidence. And one thing that is apparent to me after listening to the witnesses, reading their testimony, is that we are still a long way from having good data. And it is certainly premature to call welfare reform a success. And I would even say it is premature to say that the benefits exceed the detriments of welfare reform so far. I have yet to see the evidence that is really reliable for that.

Let me just ask one point pursuing a line of earlier questioning and comments. What fraction of the people; and I understand Mr. Potts and others have talked about the difficulty of getting data for people who have left welfare; what percentage of the people who have left welfare, to the best of the data that we have available, receive minimum wage or within, let us say, 20 percent or 10 percent of minimum wage? And that is not just for Mr. Potts but anyone who has data.

Mr. Potts. What we have found is very few actually receive minimum wage. They are receiving well in excess. Minimum wage has really not been an issue. There are some

who are leaving to take minimum type jobs.

Mr. Holt. Well, in excess meaning what?

Mr. Potts. Six to $7 an hour jobs are the norm for people who are first leaving public assistance who are finding within the first year of work they are increasing their income by about 25 percent. If they got a job making $6 an hour, within a year they would be making $8 an hour.

Mr. Holt. Dr. Boushey.

Ms. Boushey. We see that the majority of people who have left welfare, earn about 6 to $8 per hour. Most of them aren't necessarily getting these minimum wage jobs. What we have also been seeing, people aren't actually moving up the job ladder all that quickly. The rate of growth of wages in low-skilled jobs typically is only about 1 to 2 percent a year at best. And many of these jobs people actually move up in real terms, real wages, which is adjusted for inflation, actually experience wage declines over time because the wage gains are not all that great. That is another important consideration.

Mr. Haskins. I think this is very well known. There have been many Lieber studies. There are national studies; I think we know it is approximately $7 an hour. That is the average. And there is a range in there. But relatively few earn the minimum wage. I don't think there is any disagreement on that point.

Mr. Holt. And Mr. Rector.

Mr. Rector. If I could just make a point here and I hope you won't regard it as a statistical trick. But as I indicated earlier, one of the biggest effects of this reform, there are several million families who would have entered the old AFDC program who didn't enter. And when the work standards were designed in this room 6 years ago, that was the strongest anticipated effect, non-entry. And not getting on welfare, but staying in the job market is a great way of advancing. You don't want people to sidetrack off onto welfare. So the Lieber studies, which are people that got on welfare and then got off, they are sort of like the bottom of the barrel. There is this whole other effect out there of people who would have ordinarily gone into TANF and churned on and come in and out, didn't get in at all. They are probably our biggest success story and we don't track them. So it is important to look at the Lieber studies but it is probably also equally important to look at single mothers in general, many of who never got on welfare but would have under the old system.

Mr. Holt. In the few seconds I have remaining, for those who get $7 or whatever, what fraction of them receive health benefits and other employee benefits?

Mr. Potts. Mr. Chairman, members of the Committee, we did a 12-site study specifically looking at those types of things. And it was close to half; about 47 percent were receiving full benefits, which would include not only health care but also sick leave and personal leave. And there was a huge difference between those who got those types of benefits and were able to stay off versus those who got jobs and didn't offer those

benefits.

Mr. Holt. Thank you. Thank you, Mr. Chairman.

Chairman McKeon. Mr. Andrews?

Mr. Andrews. Thank you, Mr. Chairman. I appreciate the testimony from the panelists and I regret not being here personally, but I have read the testimony. When this hearing was conceived a while back, the circumstances were quite different than we find ourselves this morning. I voted for the welfare reform law in 1996 and I would vote for it again if given the opportunity based on what I know. I think that the positives far outweigh the negatives. But we are obviously in some acutely different circumstances this morning. There is every reason to believe that economic growth has stopped and perhaps we will be in a recession, as the economists define that term, perhaps even more than the two quarters of negative growth that recession means. This seems to me to bring us to a very difficult stress point in the welfare system. The first stress is that economic growth has evaporated. There is every reason to believe that unemployment will escalate rather rapidly and the job market that was expanding to accommodate those coming off the welfare rolls will no longer be there.

A second consideration; many of the 5-year limits are being approached by individuals as we speak. Casting aside our legitimate debate over what the data tells us about what has happened, what does the panel think we ought to do in the near term when we are confronted with the likely reality of significant increases in unemployment and large numbers of people hitting their 5-year lifetime limit? Mr. Rector, I think you wanted to say something.

Mr. Rector. I am not a big fan of time limits. I am a big fan of work requirements and I do believe as a Nation we do not want to be in a situation where any sick mother who legitimately can't find work is not going to get aid because she has hit some arbitrary time limit. That is a sad thing and we don't need to do that. On the other hand, the 5-year time limit is a great symbol. It is what most people perceive welfare reform was about. So I do think we need perhaps to be flexible with that 20 percent exemption rate and things like that, to make sure that we don't create the stress that is unnecessary. But what I would say_.

Mr. Andrews. If I may just stop you, would you favor tolling the 5-year limit because of the crisis we find ourselves in?

Mr. Rector. No. And we ought to look at this. If we wanted to do this, the 20 percent could be set off of a higher base. No one expected the base to get this low. In fact I was very involved in this, and I wasn't fully aware that it was a declining base, so I think that if we find this as a problem. But let me just if I could put in some optimistic news here. What you want to do is what Wisconsin did during the recession of the early 1990s. Wisconsin had semi-tough work programs that are similar to what most States have today. But what Wisconsin did was it allowed people to come on the rolls but it said come back on in a recession but when you are here, you are going to have to engage in community service, job search. You are not going to come back on the rolls and be idle. And what you see from that is that prior to the 1990 recession, the Wisconsin caseload

with its early reform was going on. The recession comes in. The caseload in almost every other State goes up 30, 40 percent, 100 percent in some States. Wisconsin, it was flat. It was flat through the whole recession. Not that you want to throw anybody off, but as long as you say, by gosh, if you can't find a private sector job, we are here to help you, but we don't want you to just come back on and be idle.

Mr. Andrews. I would like from the other panelists their position on tolling or extending the 5-year limitation given the national emergency.

Ms. Boushey. Given the fact that many of the folks that left welfare and became employed in the low wage labor market will be unlikely to be able to apply and get on unemployment insurance, tolling the 5-year lifetime limit could be incredibly important for those families who have no other option because with this lifetime limit there may be no other source of short-term income that they can turn to and, alternatively, we would need to be thinking about reforming laws so all workers from the labor market are eligible for unemployment when they are unemployed.

A couple of other things. One is that there are other smaller things we could be thinking about, there is a huge need for childcare providers and childcare assistance, an unmet need that is part of this whole TANF issue. And one way of perhaps adding to the job creation in this time of higher unemployment would be to put more money into creating child care facilities which provides jobs for those job care providers and provides those services that people moving from welfare to work and low wage people more generally need.

Mr. Andrews. I would just say for the record, and I know my time is up, that I am very glad the President and bipartisan leaders of Congress met yesterday to talk about some intermediate term economic relief for the country. And things like the extension of cash to the airline industry are necessary, and other financial vehicles for our financial services sector and health care sectors are necessary. But I want to be sure we do not forget these millions of people who have come into the workforce in recent years and those who are struggling to get there who are the most likely to lose their jobs as the labor market evaporates, and I hope this Committee takes a lead in ensuring that.

I yield back.

Mr. Haskins. Mr. Chairman, could I make a brief point on this? I don't think the 5-year limit is going to make much difference. I don't think it will have any impact on this problem because very few families are going to hit the 5-year time limit. They have been cycling on and off the rolls and there are going to be so few families that will hit that. But there will be States that have shorter time limits that may run out of money. The average State has only about half of the caseload it had when the amount of money was set. So what they need to do to bring those people back on the rolls and I totally agree, people that need welfare should be able to get it, they need to bring that money back into the system. The biggest problem that could occur is that the States would run out of money. And so we have a provision in the legislation called the contingency fund, which is very poorly constructed. We did the best we could years ago, but it is ineffective. So if you want the answer about what to do about this problem, the answer is the contingency fund. Change the trigger. Make sure it is easier for States that need it to get

money out of the contingency fund. And I think that is the most important thing you can do.

Chairman McKeon. I think this discussion has been very valuable this morning. It seems like in the time I have been in Congress, the way we set up these hearings is we pick people who will espouse one position and you pick people who will espouse another position and we fight. Maybe it is as a result that has happened last week that has changed the whole tenor of what is going on here. I don't know. Or maybe we are all interested really in helping these people and what is the best way to do it.

Probably the thing that generates the difference of opinion, and I was talking a little earlier to Ms. Mink about this, this is a large country and it is a large problem and we try to solve a problem here in Washington that affects people in 50 States; I don't know how many cities and communities. It is really difficult. And I think politically we get put in different positions and different boxes. Whereas if we were; and this is what I told Ms. Mink; if each of us were working in a county and sitting at a desk and deciding the fate of people as they come in, we probably wouldn't treat people that much differently because I think we all have the same goal in life. But it is handling and setting the law. We work together; some of you were very much involved in this; we wrote a law 5 years ago. Then the regulators take it and they interpret it the way they think it should be and they send the regulations out. The States get those regulations and try to figure what we had in mind and the best interpretation they can put on it, and then it gets down finally to the person who is sitting at that desk that has to deal with all of those things in solving this person's problem. And it is a very difficult thing to do. And I think we all have good intentions but the way those are interpreted and changed down through time has real impact on peoples' lives. And we can sit here and we can pat ourselves on the back and say we passed this law and statistically it has done a lot of great things and has helped a lot of people, it probably has hurt people, too. And so there is probably no simple answer. It is the system we have and I think it is the best system in the world, but we just need to understand that there are unintended consequences that affect peoples' lives every time we do something.

One question I have, we have all talked about poverty. Do we use one number across the Nation that fits people?

Mr. Haskins. The answer is yes. There is a federally computed poverty statistic that is done by the Census Bureau and takes into account family size and very little else.

Chairman McKeon. When you are talking about the poverty line that is what you are referring to?

Mr. Haskins. There are 14 exceptions. The Census Bureau because of the criticisms of the poverty measure in about 7 or 8 years ago started computing several alternative measures. One of the biggest flaws in the measure was it did not take into account having anything to do with taxes, including earned income tax credit. And it didn't consider in-kind benefits like food stamps. If you had a mom that left welfare and she earned 10,000, for the official poverty number her income is 10,000. But they now compute an alternative measure, number 14, in which they consider the EITC and food stamps and now that mother has now 16,000. The whole system we created was one that

took income and greatly increased income, everybody agrees, huge increases in income. And then on top of that income, we created this work support system that gave additional benefits. So you couldn't measure the impacts of that new approach unless you took this alternative definition. And when you do that, the progress in child poverty in the 1990s was more than twice as great as during the 1980s.

Mr. Rector. The original poverty system was set up in 1963. It set a poverty threshold for different families of size. And since that time it has been adjusted. It is one uniform thing across the Nation, one standard. One of the problems with that and most of the statistics we have used are simply that, that factor that counts only cash income. There are other measures that the census also provides which include taxes and earned income tax credit and food stamps. In my testimony, in every case I gave both measures so that you could look at both of them. And in all cases when you add in the earned income tax credit, which is designed to supplement the wages of low income working parents, you get a much lower poverty rate and also a more substantial drop in poverty.

In particular, we have been arguing about single mothers. No matter how you define it, if you look at the Census Bureau numbers, no matter which income standard you use, the poverty rate among single mothers has dropped by about 8 percentage points during the late 1990s.

Chairman McKeon. My concern is that we know like in L.A., where I live, it costs more to live than it does in parts of Arkansas, I mean, you know, across the country. But we are using one number?

Mr. Haskins. Yes.

Chairman McKeon. That is a problem. Dr. Schram?

Mr. Schram. The poverty line is a highly contestable concept and there is a tremendous amount of research that has been done on it. People complain about what is counted and not counted. People complain about the threshold being too low in terms of what families really need to achieve self-sufficiency. There are studies showing self-sufficiency standards would put the levels of need much higher, that you would need much more money. In some ways, poverty, welfare, many of these terms are anachronisms. The levels of hardship in this country go way beyond these things. And measuring whether or not poverty goes up or down, how many people are on welfare or not, this is beside the point.

The levels of hardship in the country go way beyond that. We need to be looking at what is it that people need to be able to thrive in this country. I think the big problem here, the difference is that some people are using measures about, as Congresswoman Mink said, the general condition of society overall. In that sense, things overall for most families improved. But for people who are really poor, things didn't. And I think welfare reform, as you said, had some unintended consequences for some families. It created increased hardship for them and I think that is what we need to be looking at.

Chairman McKeon. I have known some people who are fairly well to do that don't have enough, in their mind. I mean people look at them and say, they are out of their mind.

They have cars. They have fancy homes. They have way more than they need, but in their mind they don't have enough. In some way, Gandhi seemed to be satisfied with very little. I don't know how we work that out. But there seems to be a tendency in our culture that there is never enough. Somebody always has more. So those who die with the most toys wins, that kind of concept. I think what we are really looking at in this program is making sure that people have sufficient food and clothing and housing, and you know there should be some basic needs met, and I don't think with this welfare program, we were trying to penalize people. If somebody went to work, we didn't want to say, okay, you go out and work 40 hours a week and now you end up with less, and I don't think that was anybody's intent.

My time is up and we did have a second round. Ms. Mink?

Ms. Mink. Thank you very much. I am still troubled by the comparison of the total economy and the total society with what we are supposed to be directing our attention to, and that is the outcomes to families that were on welfare and the consequences to them as a result of the 1996 legislation. It is all well and good to have a statistic that says everybody should be getting food stamps, everybody should have paid for childcare, and everybody should have paid for health care. But the reality is that a vast majority of the people that are driven from welfare dependency into a job do not have those benefits made available to them. And what I was trying to pursue with either Drs. Boushey or Schram is, is that reality for these welfare families that go to work as a consequence of State legislation or State indifference or the failure of the Federal Government to enforce a requirement of provision of Medicaid and food stamps and so forth? What is the source of this problem, which I am told exists and what can we do about it?

Mr. Schram. I think it is a very important issue and I think there are a lot of different factors involved. I mean to some extent the Federal Government do give States a lot more discretion, and that is an issue that needs to be looked at. And there is evidence that in some cases States did promulgate administrative guidelines to case workers that they called light touch procedures to not necessarily work intensively with clients to ensure that they would get all of their entitlements for various reasons that need to be examined. And there was a change in the administrative culture of agencies where case workers often said it is a new day, everybody has to go to work even if it is a low wage job. You are not supposed to get any benefits of any kind. They wanted to instill that. And I think a lot of confusion was introduced by that change in the climate of administrative agencies at the front lines on the street level. And I think clients were put in a difficult position.

Ms. Mink. I thought TANF had a specific requirement of a 1-year carryover of Medicaid for all recipients that left welfare cash benefits for a job.

Mr. Schram. And States can extend that.

Ms. Mink. Is there a suggestion that some administrators of the Medicaid program did not comply with the law and did not extend it for at least that 1-year period?

Mr. Schram. Well, no. It is not so much that they didn't extend it. I think it is they didn't ensure that everybody who could get it would be getting it. They didn't work with clients and their caseworkers to be sure they would be working with clients. They didn't give sufficient attention to being proactive to ensure that decoupling in this transition where people would be leaving welfare but still eligible for these benefits would still be able to get them. And a lot of clients were confused. The clients find the system extremely erroneous. The system is largely designed to ensure that people don't get benefits when they are not entitled. It is not designed to ensure that people can get benefits when they are entitled.

If you look for years how the Federal Government would determine error rates, the error rates were always slanted one way; a State was committing an error in determining eligibility if it allowed ineligibles to get assistance. But if they allowed eligible people to not get assistance, that wasn't an error. And the system really still hasn't shifted to ensuring that people can get their entitlements. And until we at the national level make a commitment to that shift, I think that problem is going to persist.

Mr. Haskins. Could I address two things? For one thing, this is what often happens. Someone is on welfare and then they don't come in for appointments. They just leave. People don't know. So when it comes for their Medicaid to be renewed or food stamps, they are out of touch. That is a big part of this problem. The States have to have ways; if you want a system where the State initiates a contact with that person and says your Medicaid is about to run out, you got to come in and renew it or call in or whatever the procedure is.

Ms. Mink. I don't see why we could be that generous in our criticism of the system that the States were given the responsibility to administer. It is their responsibility to ensure that these families have at least Medicaid. And I hear this constantly repeated. Many of them don't have medical care.

Mr. Haskins. That is true. But there are States that have made serious efforts to do exactly what you are saying. They make it as easy as possible to apply. Everything could be done on the phone. They have taken actions to make people understand they are eligible for this Medicaid. They have done everything bilingually and so forth. States have been aggressive, and they have much higher Medicaid participation. And in one case, in fact three, Ohio, Oklahoma and Florida, it went down and then it came back up because they instituted these procedures.

Ms. Mink. Before my time is up, and I see the red light but I do have this one final question that I want to address to all the panelists and they could insert the response in the record. And that is, from your analysis, your research, and your statistics that you have available, how many people will be out totally of any assistance under TANF because the 5-year time limit has expired for them? I have not seen any national statistics. I know that in my State, it is 2,000 families that have reached the 5-year limit. And that is excluding the 20 percent that the State has already eliminated from this time limitation. And what the State did was take a whole island where the unemployment figures for Molokai constantly exceed 15 percent and there are no job opportunities and

nobody can force these people to leave the island and look for work elsewhere because nobody is able to absorb the transportation, housing and other kinds of liabilities. So the State just wrote off that island and that constituted 20 percent. So we have a huge number, I believe it is 2,200 and something families at the end of the year who will have reached the 5-year limit and we are at a real crisis. And I wanted to know what the statistics were if any of you had them for the Nation as a whole. And if you have those figures I would appreciate, Mr. Chairman, that the record be left open so they could forward their responses.

Thank you very much.

SUBMITTED FOR THE RECORD, RESPOSE BY DR. RON HASKINS, SENIOR FELLOW, THE BROOKINGS INSTITUTE, WASHINGTON, DC, TO CHAIRMAN HOWARD P. "BUCK" McKEON AND RANKING MEMBER PATSY T. MINK, SUBCOMMITTEE ON 21st CENTURY COMPETITIVENESS, COMMITTEE ON EDUCATON AND THE WORKFORCE, U.S. HOUSE OF REPRESENTATIVES, WASHINGTON, D.C. – SEE APPENDIX H

Chairman McKeon. I hope that you will comply with Ms. Mink's request. I think that is very important. I would also add as we go through this process, we will be holding some other hearings in preparation for the reauthorization of this bill next year. And I will hope that you will follow this process and make yourselves available and feel free to contact us at any time with things that you want to add, things that you haven't had the opportunity to put in the record today and we will see that it gets to the Committee. This is, as you can see, going to be very difficult.

We also have concern that we have the responsibility for the Workforce Investment Act, and that also ties in with this, and my concern is that the adequate funding is not there right now, especially as we are moving into a period of unemployment. So that is another area that we really have to look at. I want to thank each of you witnesses for your valuable time for spending it here with us today.

There being no further business, the Subcommittee stands adjourned.

[Whereupon, at 11:50 a.m., the Subcommittee was adjourned.]

APPENDIX A -- WRITTEN OPENING STATEMENT OF CHAIRMAN HOWARD P. "BUCK" McKEON, SUBCOMMITTEE ON 21ST CENTURY COMPETITIVENESS, COMMITTEE ON EDUCATON AND THE WORKFORCE, U.S. HOUSE OF REPRESENTATIVES, WASHINGTON, D.C.

STATEMENT OF THE HONORABLE HOWARD "BUCK" McKEON

CHAIRMAN

COMMITTEE ON EDUCATION AND THE WORKFORCE

SUBCOMMITTEE ON 21ST CENTURY COMPETITIVENESS

September 20, 2001 Hearing On:

"WELFARE REFORM:

AN EXAMINATION OF EFFECTS"

Good morning. Thank you for joining us for this important hearing. Today, the Subcommittee is holding its first meeting to hear testimony on the effects of welfare reform and the Temporary Assistance for Needy Families block grant. This Committee played a central role in crafting the work-related provisions and the welfare-to-work program that make up the heart of the new system. I look forward to working with all of you as we continue the important debate on welfare and work.

We will examine the outcomes and impact on work and families as we look toward reauthorization of the far-reaching legislation of 1996. We particularly are interested in evidence regarding whether the law has resulted in reducing welfare dependence and increasing work. This hearing will give us a chance to look back on the law's implementation, assess the current situation and look forward to changes that may be necessary to build upon the foundation already created.

The effects of the law have been nothing short of dramatic. The caseload across the country, and in my home state of California, has dropped over 50 percent since its peak in the early 90's. States continue to make significant investments in work programs and childcare to support working families, and employment by single mothers continues to rise. Since 1993, there has been a 50 percent increase in the number of never-married mothers who had a job. Increased employment has resulted in higher earnings for families, and child poverty has declined. The average earnings of those who have left the welfare roles are well above the minimum wage. Even with the robust economy of the late 1990's, recent studies confirm that welfare reform is largely responsible for the declining caseload and increase in work.

We know some families continue to face challenges as they move from welfare to employment and self-sufficiency. In our discussion today and in the future, I am sure we will have the opportunity to look at innovative approaches throughout the country that aim to address these issues. As we look ahead, I anticipate much of our debate will center on the best way to support individuals' success in the workplace.

I look forward to hearing the testimony of our witnesses today, who have expertise in this field as researchers and implementers. I know they will offer us insight into the tremendous strides that have been made, as well as thoughts on further steps that need to be taken.

With that, I would like to recognize Congresswoman Mink for any statement she may have.

APPENDIX B – SUBMITTED FOR THE RECORD BY RANKING MEMBER PATSY T. MINK, SUBCOMMITTEE ON 21st CENTURY COMPETITIVENESS, COMMITTEE ON EDUCATON AND THE WORKFORCE, U.S. HOUSE OF REPRESENTATIVES, WASHINGTON, D.C., ESSAYS, "REFORMING WELFARE, REDEFINING POVERTY," FROM THE ANNALS OF THE AMERICAN ACADEMY OF POLITICAL AND SOCIAL SCIENCE.

THE
ANNALS

OF THE AMERICAN ACADEMY OF
POLITICAL AND SOCIAL SCIENCE

Reforming Welfare, Redefining Poverty

Special Editors: RANDY ALBELDA
ANN WITHORN

September 2001

CONTENTS

PREFACE	*Randy Albelda and Ann Withorn*	8
WHO DESERVES HELP? WHO MUST PROVIDE?	*Linda Gordon*	19
GLOBALIZATION, AMERICAN POLITICS, AND WELFARE POLICY	*Frances Fox Piven*	26
WELFARE REFORM, FAMILY HARDSHIP, AND WOMEN OF COLOR	*Linda Burnham*	38
SUCCESS STORIES, WELFARE REFORM, POLICY DISCOURSE, AND THE POLITICS OF RESEARCH	*Sanford F. Schram and Joe Soss*	49
FALLACIES OF WELFARE-TO-WORK POLICIES	*Randy Albelda*	66
VIOLATING WOMEN: RIGHTS ABUSES IN THE WELFARE POLICE STATE	*Gwendolyn Mink*	79
WELFARE REFORM AND NEIGHBORHOODS: RACE AND CIVIC PARTICIPATION	*James Jennings*	94
FRIENDS OR FOES? NONPROFITS AND THE PUZZLE OF WELFARE REFORM	*Ann Withorn*	107
LEARNING FROM THE HISTORY OF POOR AND WORKING CLASS WOMEN'S ACTIVISM	*Mimi Abramovitz*	118
CLOSING THE CARE GAP THAT WELFARE REFORM LEFT BEHIND	*Lucie E. White*	131
A VIEW FROM THE BOTTOM: POOR PEOPLE AND THEIR ALLIES RESPOND TO WELFARE REFORM	*Willie Baptist and Mary Bricker-Jenkins*	144
BOOK DEPARTMENT		157
INDEX		179

Welfare Reform, Family Hardship, and Women of Color

By LINDA BURNHAM

ABSTRACT: Welfare reform has increased the hardships faced by many women leaving welfare for work. Their movement into low-wage jobs, or to no work, exposes them to higher levels of housing insecurity, homelessness, food insecurity, and hunger. Women of color, overrepresented on the welfare rolls, are especially vulnerable to the negative impacts of welfare reform.

Linda Burnham is cofounder and executive director of the Women of Color Resource Center, a nonprofit education, community action, and resource center committed to developing a strong, institutional foundation for social change activism by and on behalf of women of color. Her most recent publications include Women's Education in the Global Economy, *a workbook on the impact of the global economy on women, co-authored with Miriam Louie, and* Working Hard, Staying Poor, *coauthored with Kaaryn Gustafson, a study of the impact of welfare reform on poor women and their families.*

NOTE: This article is based on *Working Hard, Staying Poor: Women and Children in the Wake of Welfare Reform*, coauthored with Kaaryn Gustafson, published in June 2000 by the Women of Color Resource Center. The full report may be ordered at www.colorofwelfare.org.

SIX years ago, tens of thousands of women's and human rights activists gathered at the United Nations Fourth World Conference on Women, held in Beijing, China, to focus their attention on improving the condition and status of women worldwide. Working through cultural, religious, political, economic, and regional differences, women from the nations of the world produced a comprehensive document, the Beijing Platform for Action, that detailed actions to be taken by governments, nongovernmental organizations, and multilateral financial and developmental institutions to improve women's conditions. The platform for action called on governments to take action to relieve "the persistent and increasing burden of poverty on women" and address gender "inequality in economic structures and policies, in all forms of productive activities and in access to resources" (United Nations 1995).

Yet, in the six years since Beijing, in a time of unparalleled national prosperity, policies contradictory to the spirit and intent of the platform for action were promulgated in the United States, targeting the most vulnerable citizens and, rather than assisting women onto the path of economic security, driving many deeper into poverty. While U.S. officials pledged in international forums to uphold women's human rights, those rights were substantially undermined by the 1996 passage of the Personal Responsibility and Work Opportunities Reconciliation Act (PRWORA).

INCREASING FAMILY HARDSHIP

There are many studies that document how much worse off women are due to welfare reform. Those who remain in the welfare system, those who leave for employment, and those who might have used Aid to Families with Dependent Children (AFDC) are in worse shape, with less support, than the woefully inadequate earlier system provided. Only a few highlights of the growing grief will be highlighted here, before turning to the particular problems facing immigrants and women of color, and then briefly returning to place them in the context of international human rights.

The stated intent of welfare reform was at least twofold: to reduce the welfare rolls and to move women toward economic self-sufficiency. The first objective has been achieved; welfare rolls have declined dramatically since 1996. Welfare reform has stripped single mothers of any sense that they are entitled to government support during the years when they are raising their children.

Despite the "success" of welfare reform, research has repeatedly found that many women who move from welfare to work do not achieve economic independence. Instead, most find only low-paid, insecure jobs that do not lift their families above the poverty line. They end up worse off economically than they were on welfare: they work hard and remain poor. Others are pushed off welfare and find no employment. They have no reported source of income.

Women in transition from welfare to work—or to no work—face particular difficulties and crises related to housing insecurity and homelessness and food insecurity and hunger.

Low-income people in the United States faced a housing crisis long before the passage of the PRWORA. In most states, the median fair-market cost of housing for a family of three is considerably higher than total income from a Temporary Aid to Needy Families (TANF) grant (Dalbeare 1999). Further, as a consequence of two decades of declining federal support for public and subsidized housing, the great majority of both current and former TANF recipients are at the mercy of an unforgiving private housing market.

The withdrawal of the federal government's commitment to need-based income support adds a powerful destabilizing element to already tenuous conditions. The evidence that welfare reform is contributing to rising levels of housing insecurity and homelessness is piling up. The author of one recent study notes, "Young children are without homes in the largest numbers since the Great Depression. Welfare reform has made things much worse. Shelters are overflowing and gridlocked" (Griffin 1999, 4A).

Utility payment problems are another important indicator of housing insecurity because they reveal that many families, while they may have a roof over them, spend at least some time without heat and light. And utility problems are often a prelude to inability to pay the rent. A 1998 survey of social service clients who had left welfare within the previous six months found that 25 percent had had their heat cut off (Sherman et al. 1998, 13). A recent Illinois study found that 61 percent of TANF recipients who were not working could not pay their utility bills. But former recipients who were working were also struggling with their budgets, and 48 percent were unable to meet their utility payments (Work, Welfare and Families 2000, 25).

Confronting the absurd and agonizing decision of whether to feed their children or house them, most mothers will use the rent money to buy food and then struggle to deal with the consequences. In one national study, 23 percent of former welfare recipients moved because they could not pay the rent (Sherman et al. 1998, 13). A New Jersey survey found that 15.6 percent of respondents who had had their benefits reduced or terminated in the previous 12 months had lost their housing (Work, Poverty and Welfare Evaluation Project 1999, 53). Furthermore, in Illinois, 12 percent of former recipients who were not working and 5 percent of former recipients who were working experienced an eviction (Work, Welfare and Families 2000, 25).

Welfare reform has also put severe pressures on an already strained shelter system. The U.S. Conference of Mayors reported that requests for emergency shelter increased by 12 percent between 1998 and 1999 in the 26 cities surveyed and were at their highest levels since 1994 (U.S. Conference of Mayors 1999, 94). "When I started here three years ago, we had plenty of family space. Since welfare reform, I don't have a bed," said a social service worker in a Salvation Army Shelter in New Orleans (Geiss 1999, 1).

According to a survey conducted by social service agencies in six states, 8 percent of the single parents who had stopped getting welfare in the previous six months had to turn to homeless shelters to house their families (Sherman et al. 1998, 15). In an Illinois study, 7 percent of former recipients who were not working became homeless. Prospects were not much better for former recipients who were working, of whom 5 percent became homeless (Work, Welfare and Families 2000, 25).

Although the PRWORA was trumpeted as a step toward strengthening families, increased housing insecurity and homelessness have led to families being split apart. Most family shelters do not take men, so the fathers of two-parent families that become homeless must either go to a single men's shelter or make other housing arrangements. Many shelters also do not accommodate adolescent boys or older male teens. Family breakup may be required for a shelter stay.

The housing instability of poor women and their children has profound consequences, both for them and for society as a whole. Homelessness compromises the emotional and physical health of women and children, disrupts schooling, and creates a substantial barrier to employment. It widens the chasm between those who are prospering in a strong economy and those who fall ever further behind. In the six years since the United States made its Beijing commitments to improving women's lives, welfare policy, rather than widening poor women's access to safe and affordable housing, has created higher levels of housing instability and homelessness.

Like homelessness, the problems of food insecurity predate welfare reform. Low-income workers and welfare recipients alike have struggled for years to provide adequate food for themselves and their families. The robust economy of the late 1990s did not fundamentally alter this reality. Of families headed by single women, 1 in 3 experience food insecurity and 1 in 10 experience hunger (Work, Welfare and Families 2000, 25).

Welfare reform has made women's struggles to obtain food for themselves and their families more difficult. Several studies document that former recipients cannot pay for sufficient food and that their families skip meals, go hungry, and/or use food pantries or other emergency food assistance.

The figures are astoundingly high. In New Jersey, 50.3 percent of former recipients who were not working reported an inability to sufficiently feed themselves or their children. Former recipients who were working were no better off: 48.7 percent reported the very same problem (Work, Poverty and Welfare Evaluation Project 1999, 58). The situation conveyed by an Illinois study is even more disturbing. Here, the population reporting the most difficulty with food insecurity was former recipients who were participating in the labor force. Sixty-three percent of them said that there was a time

when they could not buy the food they needed, a significantly higher proportion than either former recipients who were not working or current recipients. (Work, Welfare and Families 2000, 25). In other words, the higher costs associated with participating in the labor force, combined with reduction or elimination of the food stamp allotment, meant women's access to adequate food became more precarious rather than less so as they moved from welfare to work. Entering the workforce came at a very high price.

The Food Stamp Program is intended to ensure that no family goes hungry, but many families do not receive the food stamps to which they are entitled. Even before welfare reform, the rate of participation in the Food Stamp Program was declining more rapidly than the poverty rate. The number of people receiving food stamps dropped even more steeply later, from 25.5 million average monthly recipients in 1996 to 18.5 million in the first half of 1999 (U.S. General Accounting Office 1999, 46). The rate of participation is the lowest it has been in two decades, with a growing gap between the need for food assistance and families' use of food stamps.

Welfare reform has itself contributed to the underutilization of food stamps. Many families that leave the welfare system do not know that as long as their income remains below a certain level, they are still eligible for food stamps. Believing that termination of TANF benefits disqualifies them for food stamps as well, they fail to apply or to recertify eligibility. Confusion and misinformation on the part of eligibility workers, or their withholding of information, are also factors in the low participation of former recipients. Additional contributing factors include the lack of bilingual staff and burdensome application and recertification processes (Venner, Sullivan, and Seavey 2000, 17). Among families who had left welfare, only 42 percent of those who were eligible for food stamps were receiving them (Zedlewski and Brauner 1999, 1-6).

Not surprisingly, demands for food from other sources are increasing. As the welfare rolls shrink, requests for food from charities rise. Catholic Charities reported a 38 percent rise in demand for emergency food assistance in 1998. "For many low-income people, the 'emergency' need for food assistance has become 'chronic'—a basic component of their efforts to survive" (U.S. Conference of Mayors 1999, 20). The U.S. Conference of Mayors's study showed that 85 percent of the cities surveyed experienced increased demand for emergency food and that requests for emergency food assistance increased by an average of 18 percent between 1998 and 1999 (U.S. Conference of Mayors 1999, 94). In many cases, the demand for food goes unmet. As one report states, "The bottom line is that . . . for millions of households, work force participation has been accompanied by hunger" (Venner, Sullivan, and Seavey 2000, 16).

WOMEN OF COLOR AND IMMIGRANT WOMEN

Welfare reform is a nominally race-neutral policy suffused with racial bias, both in the politics surrounding its promulgation and in its impact. It may not have been the intent to racially target women of color for particular punishment, yet women of color and immigrant women have nonetheless been particularly hard hit in ways that were highly predictable.

Feminist theory has for some time recognized that the social and economic circumstances women of color must negotiate are shaped by the intersection of distinct axes of power—in this case primarily race, class, and gender. The relationships of subordination and privilege that define these axes generate multiple social dynamics that influence, shape, and transform each other, creating, for women of color, multiple vulnerabilities and intensified experiences of discrimination.

Welfare reform might legitimately be regarded as a class-based policy intended to radically transform the social contract with the poor. Poverty in the United States, however, is powerfully structured by racial and gender inequities. It is not possible, therefore, to institute poverty policy of any depth that does not also reconfigure other relations, either augmenting or diminishing race and gender inequalities. By weakening the social safety net for the poor, PRWORA necessarily has its greatest effect on those communities that are disproportionately represented among the poor. Communities of color and immigrant communities, already characterized by significantly higher levels of minimum-wage work, homelessness, hunger, and poor health, are further leveraged by the discriminatory impact of welfare reform.

As a consequence of the historical legacy and current practices of, among other things, educational inequity and labor market disadvantage, patterns of income and wealth in the United States are strongly skewed along racial lines, for example, the disproportionate burden of poverty is carried by people of color. While the white, non-Hispanic population constituted 72.3 percent of the total population in 1998, they made up only 46.9 percent of the population living below the poverty line. In stark contrast, blacks made up just over 12 percent of the general population, but 26.4 percent of the U.S. population in poverty. People of Hispanic origin, of all races, comprise 23.4 percent of the people below the poverty line, while making up 11.2 percent of the total population. While 8.2 percent of the white, non-Hispanic population lives in poverty, 12.5 percent of Asian and Pacific Islanders do (U.S. Census Bureau 1999, 2000).[1]

Economic vulnerabilities due to race and ethnicity may be further compounded by disadvantages based on gender and immigration/citizenship status. Thus, for households headed by single women, the poverty rates are also stark. Over 21 percent of such white, non-Hispanic households were below the poverty line in 1998, as compared to over 46 percent of black and 48 percent of Hispanic female-headed households (U.S. Census Bureau 1999). Immigrants, too, are disproportionately poor, with 18 percent below the poverty line as compared to 12 percent of the native born (U.S. Census Bureau

1998). Given the disproportionate share of poverty experienced by people of color, and the significant poverty of single-mother households, it is no surprise that the welfare rolls are racially unbalanced, with women of color substantially overrepresented (see Table 1).

This racial imbalance has been cynically used for decades in the ideological campaign to undermine support for welfare—a crude but ultimately effective interweaving of race, class, gender, and anti-immigrant biases that prepared the consensus to "end welfare as we know it." Having been maligned as lazy welfare cheats and something-for-nothing immigrants, Latinas, African American women, and Asian women of particular nationality groups are now absorbing a punishing share of welfare reform's negative impacts.

Much of the data on welfare reform are not disaggregated by race. We will not know the full impact of welfare reform on women of color until we have countywide, statewide, and national studies of women transitioning from welfare to work that consistently include race as a variable. However, to the extent that communities of color experience some of the most devastating effects of poverty at exceptionally high rates, and to the extent that welfare reform has rendered these communities more rather than less vulnerable, we may expect that the policy will deepen already entrenched inequalities.

For example, African American women are massively overrepresented in the urban homeless population. Their particular vulnerability to homelessness has been shaped by, among many factors, high rates of reliance on welfare in a period in which the value of the welfare grant plummeted and housing costs climbed steeply; low marriage rates and, therefore, lack of access to a male wage; overconcentration on the bottom rungs of the wage ladder; and high unemployment rates, especially for young women with less than a high school education.

Beyond intensified impact due to disproportionate representation in the affected population, additional factors compound the disadvantages of women of color and immigrant women. One Virginia study found noteworthy differences in how caseworkers interact with black and white welfare recipients. A substantial 41 percent of white recipients were encouraged to go to school to earn their high school diplomas, while no black recipients were. A much higher proportion of whites than blacks found their caseworkers to be helpful in providing information about potential jobs (Gooden 1997). Other studies showed that blacks were removed from welfare for noncompliance with program rules at considerably higher rates than white recipients, while a higher proportion of the cases of white recipients were closed because their earnings rose too much to qualify for welfare (Savner 2000).

TABLE 1
TANF RECIPIENTS BY RACE, 1998 (in percentages)

White	37.7
Black	38.0
Hispanic	22.0
Native	1.5
Asian	3.4
Other	0.8
Unknown	0.7

SOURCE: U.S. Department of Health and Human Services 1999.

Further, while welfare use is declining among all races, white recipients are leaving the welfare rolls at a much more rapid rate than blacks or Latinos. In New York City, for example, the number of whites on welfare declined by 57 percent between 1995 and 1998, while the rate of decline for blacks was 30 percent and that of Latinos, 7 percent. White recipients have also been leaving the rolls at faster rates than minorities in states such as Illinois, Pennsylvania, Michigan, and Ohio. And nationally, the decline has been 26 percent for whites but only 17 percent for African Americans and 9 percent for Latinos (DeParle 1998, A1).

The causes of this phenomenon have been insufficiently studied, but some of the factors may include higher average educational levels among white recipients, greater concentrations of recipients of color in job-poor inner cities, racial discrimination in employment and housing, and discriminatory referral policies on the part of welfare-to-work caseworkers. Whatever the combination of contributing factors, it appears that white recipients are making a more rapid transition into the labor force.

Some of the most punitive provisions of PRWORA are directed at immigrants. The 1996 legislation banned certain categories of legal immigrants from a wide array of federal assistance programs, including TANF, food stamps, Supplementary Security Income, and Medicaid. In the year following passage, 940,000 legal immigrants lost their food stamp eligibility. Strong advocacy restored some of the cuts and removed some restrictions, but legal immigrants arriving in the United States after the 22 August 1996 legislation passed are ineligible for benefits for five years. States have the discretion of barring pre-enactment legal immigrants from TANF and nonemergency Medicaid as well (National Immigration Law Center 1999).

These restrictions have had profound effects on immigrant communities. First of all, many immigrant women who are on welfare face significant barriers to meeting TANF work requirements. Perhaps the most formidable obstacles are limited English proficiency and low educational levels. A study of immigrant recipients in California found that 87 percent of the Vietnamese women had limited or no proficiency in English, as did 48 percent of the Mexican American women. Many of these women were also not literate in their native languages, with the Mexican Americans averaging 8.5 years in school and the Vietnamese 8.7 years (Equal Rights Advocates 1999, 7). A study of Hmong women found 90 percent with little or no English proficiency, 70 percent with no literacy in the Hmong language, and 62 percent with no formal education whatsoever (Moore and Selkowe 1999).

Limited English, lack of education, and limited job skills severely restrict immigrant women's options

in the job market, making it very difficult for them to comply with welfare-to-work requirements. Language problems also impede their ability to negotiate the welfare bureaucracy, which provides very limited or no translation services. These women lack information about programs to which they are entitled, and they worry about notices that come to them in English. When immigrant women recipients are able to find work, it is most often in minimum wage or low-wage jobs without stability or benefits (Center for Urban Research and Learning 1999, 5; Equal Rights Advocates 1999, 31).

It should come as no surprise that immigrant women report high levels of hardship. In a study of Santa Clara County, California, 50 percent of the Mexican American recipients had experienced food shortages, as had 26 percent of the Vietnamese women (Equal Rights Advocates 1999, 32). One out of three Hmong women recipients in Wisconsin reported running out of food in the six months prior to the survey, and 51.4 percent said they had less food on the state's W-2 program than they had had on AFDC (Moore and Selkowe 1999, 4). Of 630 Latino and Asian households surveyed in California, Texas, and Illinois, 79 percent faced food insecurity, and 6.5 percent reported experiencing severe hunger. A study of Los Angeles and San Francisco immigrant households whose food stamps had been cut found that 28 percent of the children in the San Francisco households were experiencing moderate to severe hunger (Venner, Sullivan, and Seavey 2000, 22).

Immigrant women recipients are also likely to experience severe overcrowding and to devote a huge portion of their income to housing. They share housing with relatives or with unrelated adults; live in garages or other makeshift, substandard dwellings; and worry constantly about paying the rent.

A more hidden, but still pernicious, impact of welfare reform has been the decline in applications for aid from immigrants who would be eligible to receive it. One report documents PRWORA's "chilling effect on immigrants" who mistakenly believe they are no longer eligible for any benefits. Reporting on the numbers of TANF applications approved each month, this study showed a huge drop—71 percent—in the number of legal immigrant applicants approved for TANF and MediCal between January 1996 and January 1998. That number fell from 1545 applicants in January 1996 to only 450 in January 1998 (Zimmerman and Fix 1998, 5). The intensive anti-immigrant propaganda that accompanied the passage of PRWORA and statewide anti-immigrant initiatives appears to have discouraged those who need and are entitled to aid from applying for it, surely undermining the health and welfare of immigrant women and their families.

WELFARE REFORM IS INCOMPATIBLE WITH WOMEN'S HUMAN RIGHTS

One of the chief accomplishments of the Beijing conference and the Platform for Action was to position women's issues squarely within the

context of human rights. Building on the foundational work of activists worldwide, Beijing became the first U.N. women's conference in which "women's rights are human rights" was articulated not as a platitude but as a strategic assertion. Indeed, the phrase was taken up by former First Lady Hillary Rodham Clinton who, in her 5 September 1995 speech to the conference, asserted that "women will never gain full dignity until their human rights are respected and protected."

PRWORA is wholly incompatible with the strategic objectives of the Beijing Platform for Action and profoundly compromises the exercise of women's human rights. Rather than improving the status of poor women, the legislation has deepened the misery of tens of thousands of women and their children. By undermining women's access to a stable livelihood, welfare reform constructs barriers to their exercise of political, civil, cultural, and social rights.

Undoing the damage of welfare reform—and bringing U.S. policy in line with its stated commitments to the world community—will require the promulgation and implementation of policies that restore and strengthen the social safety net for women and children while funding programs that support women along the path to economic self-sufficiency. In the absence of the political will for such a comprehensive reworking of U.S. social welfare policy, advocates for poor women and families face an extended, defensive battle to ameliorate the cruelest and most discriminatory effects of this radically regressive policy.

Note

1. In citing Census Bureau statistics, I use their terminology. Elsewhere, I use the term "Latina" to refer to immigrants from Mexico, Central and South America, and the Spanish-speaking Caribbean and their descendants in the United States.

References

Center for Urban Research and Learning. 1999. *Cracks in the System: Conversations with People Surviving Welfare Reform*. Chicago: Center for Urban Research and Learning, Loyola University; Howard Area Community Center; Organization of the North East.

Clinton, Hillary. 1995. Remarks by First Lady Hillary Rodham Clinton for the United Nations Fourth World Conference on Women, 5 Sept.

Cobb, Kim. 1999. Homeless Kids Problem Worst in Louisiana; Welfare Reform, Housing Crunch Are Among Reasons. *Houston Chronicle*, 18 Aug.

DeParle, Jason. 1998. Shrinking Welfare Rolls Leave Record High Share of Illegitimacy. *New York Times*, 24 July.

Dolbeare, Cushing. 1999. *Out of Reach: The Gap Between Housing Costs and Income of Poor People in the United States*. Washington, DC: National Low-Income Housing Coalition.

Equal Rights Advocates. 1999. *From War on Poverty to War on Welfare: The Impact of Welfare Reform on the Lives of Immigrant Women*. San Francisco: Equal Rights Advocates.

Gruber, Susan. 1997. Examining Racial Differences in Employment Status Among Welfare Recipients. In *Race and Welfare Report*. Oakland, CA: Grass Roots Innovative Policy Program.

Griffin, Laura. 1999. Welfare Cuts Leaving More Families Homeless, Study Finds. *Dallas Morning News*, 1 July.

Moore, Thomas and Vicky Selkowe. 1999. *The Impact of Welfare Reform on Wisconsin's Hmong Aid Recipients*. Milwaukee: Institute for Wisconsin's Future.

National Immigration Law Center. 1999. *Immigrant Eligibility for Public Benefits*. Washington, DC: National Immigration Law Center.

Sevner, Steve. 2000. Welfare Reform and Racial/Ethnic Minorities: The Questions to Ask. *Poverty & Race* 9(4):3-6.

Sherman, Arloc, Cheryl Amey, Barbara Duffield, Nancy Ebb, and Deborah Weinstein. 1998. *Welfare to What: Early Findings on Family Hardship and Well-Being*. Washington, DC: Children's Defense Fund and National Coalition for the Homeless.

United Nations. 1995. *Fourth World Conference on Women Platform for Action*. Geneva, Switzerland: United Nations.

U.S. Census Bureau. 1999. *Poverty Thresholds in 1998 by Size of Family and Number of Related Children Under 18 Years*. Washington, DC: U.S. Census Bureau.

———. 2000. *Resident Population Estimates of the United States by Sex, Race, and Hispanic Origin*. Washington, DC: U.S. Census Bureau.

U.S. Conference of Mayors. 1998. *A Status Report on Hunger and Homelessness in America's Cities*. Washington, DC: U.S. Conference of Mayors.

U.S. Department of Health and Human Services. 1999. *Characteristics and Financial Circumstances of TANF Recipients*. Washington, DC: U.S. Department of Health and Human Services, Administration for Children and Families.

U.S. General Accounting Office. 1998. *Food Stamp Program: Various Factors Have Led to Declining Participation*. Washington, DC: U.S. General Accounting Office.

Venner, Sandra H., Ashley F. Sullivan, and Dixie Swavey. 2000. *Paradise of Our Times: Hunger in a Strong Economy*. Medford, MA: Tufts University, Center on Hunger and Poverty.

Work, Poverty and Welfare Evaluation Project. 1999. *Assessing Work First: What Happens After Welfare? Report for the Study Group on Work, Poverty and Welfare*. Legal Services of New Jersey, New Jersey Poverty Research Institute: Edison, NJ.

Work, Welfare and Families. 2000. *Living with Welfare Reform: A Survey of Low Income Families in Illinois*. Chicago: Chicago Urban League and UIC Center for Urban Economic Development.

Zedlewski, Sheila R. and Sarah Brauner. 1999. *Are the Steep Declines in Food Stamp Participation Linked to Falling Welfare Caseloads?* Washington, DC: Urban Institute.

Zimmerman, Wendy and Michael Fix. 1998. *Declining Immigrant Applications for MediCal and Welfare Benefits in Los Angeles County*. Washington, DC: Urban Institute.

ANNALS, AAPSS, 577, September 2001

Fallacies of Welfare-to-Work Policies

By RANDY ALBELDA

ABSTRACT: One main effort of welfare reform is to replace public assistance with earnings. To date, politicians and welfare reform advocates have applauded the efforts and claimed success. However, lurking at the surface of welfare-to-work policies are serious problems and structural impediments. Lack of jobs, low pay, job-readiness, and difficulties in securing ancillary supports like transportation and child care are obvious problems that are not easily resolved. However, a deeper and usually unaddressed problem is that the jobs low-income women take (or need) are not mother ready. Full-time low-wage work does not provide enough income to support families, nor does it accommodate the demands that full-time parents have. These problems plague welfare-to-work efforts and make life very difficult for poor, single-mother families. At the same time, they create an opportunity to consider the value of caregiving work and to reform the nature of low-wage work.

Randy Albelda, a professor of economics at the University of Massachusetts Boston, is the author of Economics and Feminism: Disturbances in the Field and coauthor of The War on the Poor: A Defense Manual and Glass Ceilings and Bottomless Pits: Women's Work, Women's Poverty. She often contributes to state and local groups' legislative and educational efforts to improve welfare and employment policies affecting low-income women and their families.

WITH the dramatic changes to welfare at the state and federal levels, a great many scholars are cashing in on the waves of foundation and government money attached to studying the impacts of welfare reform. A hefty share of these researchers are examining how adults leaving welfare are faring, with an emphasis on their earnings and employment situations. What is astonishing about the results from these "leaver" studies is how similar they are, despite the supposed diversity of programs adopted by the states. Between two-thirds and three-quarters of adults are employed most often for about 35 hours a week, earning an average hourly wage of about $7.50 in jobs that as often as not do not have health care benefits and rarely provide any sick days and little or no vacation time.[1] Evidence is mounting that many leavers do not stay employed for very long, reproducing a pattern well established before welfare reform of cycling in and out of the labor market. Soon, however, some will not cycle back onto welfare because time limits preclude that.

Average income levels of the families leaving welfare are still at or near poverty levels. Families in the bottom 20 percent of the income distribution—most of whom are poor—have more earnings-related income (wages and the earned income tax credit [EITC]) but a lot less government income associated with being poor (welfare and food stamps). Overall, the loss of public assistance swamps increases in earnings and tax credits, leaving families with about the same, or even less, income, despite the high levels of employment generated since welfare reform.

These not-so-spectacular results occurred during the best economic expansion in 40 years and before most states hit their limits on welfare receipt. In short, these are the best results we can expect from welfare reform. Still, politicians are thrilled with the results. Almost universally they tout declines in caseloads as evidence of the resounding success of welfare reform (see the article by Sanford F. Schram and Joe Soss in this volume). Researchers argue that most of those who were once on welfare are now employed and see this as a positive result.[2]

The effort to place former welfare mothers in jobs is not costless or effortless. States, nonprofit organizations, and advocates are spending enormous amounts of resources trying to make welfare-to-work policies work. Researchers are busily documenting the types of supports women need to make a successful transition into the low-wage labor market. Despite claims of success, lurking at the surface are problems and structural impediments. Problems such as whether there are enough jobs and if the jobs former welfare recipients get pay living wages are being raised and sometimes get play in the press (and other outlets). Some of these problems are being addressed head-on, like the issue of whether mothers are job ready. However, there are other problems, ones that are much more structural and symbolic, that are not being raised. These problems revolve around the nature of the low-wage

labor market and the overriding reality that poor mothers are primary caretakers. It is not only that the jobs pay far too little—even with financial incentives—but that they are not mother ready.

Most accept the general strategy of replacing public assistance with earnings but do not dare address the dramatic changes needed in low-wage labor markets or the implementation of adequate caregiving policies that must accompany this strategy. As currently implemented, the welfare-to-work solution is a match made in hell. It joins together poor mothers with few resources whose family responsibilities require employment flexibility with jobs in the low-wage labor market that often are the most inflexible, have the least family-necessary benefits (vacation time, health care, sick days), and provide levels of pay that often are insufficient to support a single person, let alone a family. This mismatch will not be resolved by providing the types of supports that are currently being discussed and provided: short-term job training, work vans, poor-quality child care, or refundable earned income tax credits.

The welfare-to-work mismatch is more than an individual problem to be resolved by sympathetic counseling and financial incentives. It is a political, social, and economic problem that must be addressed in our policies as well as in our national psyche. It starts with valuing the work that families do. Raising children—with or without two adults in a family—is absolutely vital and deserving work to our individual and collective well-being.

Overlooking or not counting unpaid work conceptually and empirically overestimates the "success" of welfare reform and undermines women's progress for economic equality. Promoting more family-based benefits for low-income workers will help immensely. But we will not be able to totally eliminate public income support for low-income parents who are taking care of families. The ideological base for providing employment-based benefits are well established in the United States, but the base for appreciating the value of care is not. We will need to make more progress by engaging in a new kind of family values debate, one that argues that the work families do is valuable and worth supporting, even—or especially—if the family is poor.

WELFARE TO WHAT?

Before addressing the welfare-to-work strategy, it is instructive to think about the other ways in which poor women leave welfare. This is important because time limits and full-family sanctions virtually ensure that the majority of families who receive welfare will be cut off, at least from federal funding. Not having access to welfare poses some historically familiar alternatives for women. First, instead of being dependent on the state, women can be dependent on family members—a much more acceptable form of dependency. Single mothers can get their income or in-kind support from parents, sisters, boyfriends, or former husbands. Efforts to crack down on deadbeat dads and fatherhood

initiatives are a modern corollary to family dependency (see the article by Gwendolyn Mink in this volume). Getting married and staying married was of course the fond hope and major inspiration for conservatives who sponsored the 1996 welfare reform federal legislation.[1]

A second way families without public assistance or income from other family members support themselves is to give up their children—by choice or by force. Newt Gingrich was lambasted for floating the idea of orphanages in the mid-1990s, but it seems totally plausible that the states will be seriously discussing this option soon. Newspaper accounts across the country often report on overloaded child protection agencies, increasingly removing children from families for poverty-related reasons. Preliminary data are consistent with this scenario: the percentage of child-only cases on the welfare rolls has increased steeply in a short period of time, from 17 percent in 1994 to 29 percent in 1999 (U.S. Department of Health and Human Services 1999, exhibit 1).

Promoting marriages and discussing ways to snatch children, while important ways to end welfare, are not usually the main focus. Instead, most states, as well as the ancillary not-for-profit agencies and for-profit companies that get lucrative welfare-to-work-related contracts, are putting their energies into getting adult welfare recipients to work. In this case, work is always intended to mean paid employment or unpaid community or public service placements (that is workfare).

Welfare-to-work policies embody a wide range of methods for promoting paid work instead of welfare. These include the punitive work-first strategies pursued by over half the states to the more liberal strategies that include a generous package of training and education options, financial incentives, day care, transportation, and health care. And despite its current popularity, the notion of putting welfare mothers to work is hardly new. Gwendolyn Mink (1998) traces the history of work requirements in the Aid to Families with Dependent Children (AFDC) program since the legislation's inception and argues that by the late 1960s work requirements were seen as an important way to get women, particularly black women, off the welfare rolls. It was only in the early 1990s, however, that paid work was viewed as the main alternative in light of time-limit benefits.

Most researchers, politicians, agency heads, and advocates assume that work is good and that people on public assistance, if physically possible, should be working. It is easy to see why they, as well as liberals and progressives, find work appealing. Employment breaks welfare recipients' presumed (although not empirically validated) cycle of dependency. Further, when adult recipients work, even if they receive hefty supplements, they are not perceived as receiving handouts and hence are deserving. It would seem, then, putting welfare mothers to work solves the welfare problem of growing welfare rolls and plays into American values that will help restore safety nets for the poor. There are other

reasons to want to see women employed as well, such as the ability to be economically independent. This allows for a much longer range of choices and less control by men or by the state.

THE WORK DEBATE

There are clearly important and laudable reasons to want to see low-income mothers employed, but there should be considerable unease with current efforts to put welfare mothers to work.

One issue is whether there are jobs at all and what happens to the low-wage labor market when millions of welfare mothers look for paid employment. Outside of exceptional expansions, the macroeconomic structure makes jobs for workers with low educational attainment and few marketable skills difficult if not impossible to get and keep (see, for example, Haveman 2000; Smith and Woodbury 2000). Further, wage pressures caused by the increased ranks of the low-wage labor market caused by welfare-to-work policies could serve to reduce wages for all workers at the bottom (Burtless 2000; Smith 2000). With black adults facing unemployment rates twice that of whites, the availability of jobs and the persistence of labor market discrimination cannot be dismissed.

The economic expansion of the 1990s has both accompanied and accommodated welfare-to-work policies. The economy has almost seamlessly absorbed close to 1 million new workers from welfare, but once the downturn, many who did get jobs will lose them and caseloads will creep back up. Smith and Woodbury (2000) estimate that in the last recession over 1 million low-wage jobs were lost. The long expansion has allowed states to be slack, if not entirely unimaginative, in their training and education efforts, relying on the economic expansion to reduce rolls.

Another problem with welfare-to-work policy is the low pay women get. Without having to do much academic heavy lifting, Nobel prizewinner Robert Solow (1998a, 1998b) conjures up basic macroeconomic theory on labor markets, results on experiments with the previous welfare program—AFDC—some common sense, and compassion to make a forceful case that welfare reform is both wishful thinking and pure folly. Current policy will turn those who are already poor and receiving cash assistance into the working poor, at the same time making some of the non-welfare-receiving poor worse off. For Solow, the economics of the problem are quite simple. Society cannot expect single mothers to enter low-wage labor markets and exit poverty. Re-examinations of the low-wage labor force come to similar conclusions (Bernstein and Hartmann 2000). The obvious solutions are to improve low-wage jobs and improve the supplements to workers with low-wage jobs.

There have been important efforts toward supplementing earnings. The federal government has expanded the EITC, which serves to both boost low wages and provide financial incentives to employment. Several states have established or expanded their own EITC programs as well.

Generous financial incentives—like high earnings disregards and the EITC—seem to work not only in encouraging employment but in reducing poverty (Miller et al. 2000; Blank, Card, and Robins 2000). However, most states are not implementing generous financial incentives, and at least one state that did—Minnesota—saw welfare use increase because in order to truly support families when employed requires sustained commitment to providing cash benefits. Instead, most states use time-limited financial incentives that have low-income thresholds of eligibility (including the EITC). This is precisely why women leaving welfare for earnings or packaging welfare and earnings are still poor (see, for example, Danziger 2000). As a result, current wage supplements are not proving an antidote for welfare reduction. Despite the fact that more families rely on earnings rather than on public aid, the income of the bottom quintile of single mothers has declined (Porter and Primus 1999; Primus et al. 1999). There is little doubt that carrots—financial incentives like EITC and higher earnings disregards—are better than sticks like sanctions and time limits, both in terms of outcomes and welfare policy gestalt. However, they have yet be very successful in taking most poor families off the poverty track for long.

A third problem with welfare-to-work policies is the issue of the job readiness of welfare mothers. Research confirms that many welfare mothers have low educational attainment and lack recent job experience (although the vast majority have been employed at some point). Both of these characteristics impede entry into the labor market and, once there, all but assure low wages. Recent research is uncovering another set of barriers to work that have little to do with individual motivation, human capital investments, or self-help. These barriers include women's learning disabilities, severe bouts of depression, and experiences with domestic violence.

There is growing evidence that states, especially those that promote work-first strategies, are finding that the easy-to-place recipients have left the welfare system, but those who require much more training to get paid employment remain (see, for example, Danziger 2000). Ironically, or perhaps cynically, welfare is becoming more and more like it was portrayed for years—a system that serves very-low-functioning women with many children who need assistance for many years. Women with barriers to employment will need time and long-term training to move up and out, something welfare reform is discouraging or prohibiting.

Finding a job, earning enough to support a family, removing barriers to employment, and skill development are problems faced by any poor adult in the United States. However, what distinguishes welfare recipients from other poor people is that the vast majority are children being raised, most often, by a mother on her own. Not surprisingly, a fourth concern or critique with welfare-to-work policy revolves around the set of ancillary supports that mothers need to get to work. While there are several

needs, such as transportation and health care coverage, by far the biggest and most expensive is child care. While states are using the money from the Temporary Assistance for Needy Families (TANF) program to purchase child care, there still is not enough. There already is a child care crisis without welfare mothers boosting demand. The cost of quality care is typically far beyond the reach of many low-income parents. Very little attention has been paid to the quality of child care that women leaving welfare are finding. Who knows what is happening to children, including school-age children, when mothers are employed? These are problems that have not been solved and will have enormous implications for both the sustainability of welfare-to-work policies and the well-being of families now and in the future.

THE PROBLEMS NOT DISCUSSED

As pressing as these concerns are, they are by now relatively well established. Solving them will be necessary in constructing any decent system of welfare but will not be sufficient to crafting policies that work.

What is almost always ignored or conveniently forgotten in critiques of welfare-to-work policies is that the U.S. labor market has always failed women who have little formal education and sporadic job experiences. Women have a very hard time supporting themselves, let alone supporting families. Low-income women are still segregated into low-paying occupations, despite the vast improvements for college-educated women. In 1998, 54 percent of all women worked in sales, service, or administrative support occupations (U.S. Bureau of Labor Statistics 2000, 176). Over one-third (35.3 percent) of all women in 1997 earned too little to pull themselves up to the poverty level for a family of four, even if they worked 52 weeks a year, 40 hours a week (Bernstein and Hartmann 2000, 20). For former welfare recipients, the likelihood of being in low-paying work is remarkably high. One study found that between 1984 and 1990 two out of every three women moving off welfare worked in sales, service, or clerical jobs (Spalter-Roth et al. 1995). Recent leaver studies indicate little change in these results. Even though the new solution to welfare is immediate employment, there are still the same old problems that single mothers have always faced: a low-wage labor market, coping with family demands, overcoming barriers to employment, and the need for ancillary supports.

Jobs that pay family-sustaining wages are not mother ready, nor are the jobs that low-income mothers are finding, even when they get training, find work, have child care arrangements, and receive wage supplements. The needs jobs cannot meet include remarkably mundane events such as sick children, school and medical appointments, school vacations, and early-release school days. Employers, especially those who employ low-wage workers, will not tolerate workers who come in late because a school bus did not show up, miss days because there was no child

care or a kid was sick, or worry about their children at 3 p.m. instead of doing their work.

The work of taking care of families is often inconsistent with the demands of being a family breadwinner. Yet, this work-family dilemma is overlooked in welfare reform research and policy. For example, the work of taking care of children is not seen as work or as an important family and economic input in the welfare-to-work strategy; rather, it is seen as a cost of going to work and only recognized as important when women get jobs.

What much of the welfare-to-work debate fails to confront is the complex nature of paid and unpaid work for all families, particularly those with children, and particularly for poor families. Adults responsible for children many times cannot (and probably should not) put their jobs—especially low-wage ones—before the needs (mundane or profound) of their children. Instead of trying to reform poor mothers to become working-poor mothers, we need to take a closer look at job structures and what it will take to make work possible for mothers who support families.

THE VALUE DEBATES

The obsession with employment for poor mothers is the culmination of a major value shift in thinking about women and public assistance. The Social Security Act of 1935 entitled poor single mothers to receive AFDC, although the levels received were far lower than in the other two major programs (Social Security and Unemployment Insurance) included in that historic legislation. Further, the value set governing aid for single mothers was in direct contrast to that guiding both the benefit levels and the allocation of Social Security and Unemployment Insurance. The latter are employment-based cash assistance doled out to those who have long-term, continuous employment participation. In the 1930s, paid work became the entry door to entitlements, and the benefits were not based on need—although they were initially based on type of employment, which effectively excluded black and female workers. In 1935, single mothers in the industrial North were not expected to do paid labor—indeed, white women were discouraged from it in the 1930s. However, the benefits were kept intentionally low so as not to discourage marriage (Gordon 1994). Widows were seen as deserving, whereas divorced, separated, and never-married mothers were not. Benefit levels reinforce these values. Widows and their children received much more generous funds from Social Security than did nonwidowed single mothers receiving AFDC (and now TANF).

Today, what makes a single mother entitled and deserving has changed. It is no longer sufficient to be a parent raising children on one's own. Indeed, the most salient factor in determining the level and length of support one might receive is if one is engaged in paid labor. This sentiment is only possible in an age where most women are in the paid labor market and when the moral repugnance of women without men has dissipated. Making the demand that

single mothers work because other mothers do is politically, although not necessarily economically, feasible. Few seem to notice that the majority of married mothers do not work in year-round, full-time jobs, yet for single mothers to move from welfare to work to self-sufficiency would require being employed more than 40 hours a week every week of the year.[1] In order to deserve the generosity of American taxpayers, single mothers need to give back something in return. Importantly, this goes beyond doing the work of raising children. In the words of Mary Jo Bane (1997), "The public, rightly, wanted welfare reform that expected work and parental responsibility" (47).

The positive value of employment has been accompanied by the negative value placed on receiving welfare. Led by Ronald Reagan and Charles Murray in the 1980s, women on welfare were given the title of welfare queen. Women on welfare were presumed to have loads of children and then pass down the legacy of welfare receipt to their children. Receiving welfare, in these accounts, constituted dysfunctional behavior. Liberal poverty researchers carried this banner as well. Notably, William Julius Wilson (1987) and Christopher Jencks (1991), as well as their left detractors, such as William Darity and Samuel Myers (1994), discuss welfare receipt as a pathology—one of the many "bad" behaviors that helps reproduce poverty. Jencks (1991, 83) even refers to women receiving welfare as the "reproductive underclass." In this debate, paid work is good, and welfare receipt is bad. Therefore, to make progress, poor mothers need to be in the labor force and off welfare.

I am not arguing that paid work is bad. Indeed, earnings can and do buy economic security and some independence from men, especially from abusive relationships. In a society that values paid work, employment can build one's self-esteem as well. There is no doubt that women's ability to earn wages has the potential to set them free. However, welfare-to-work policies are a set up. The types of jobs many poor mothers get and keep do not provide much dignity or sufficient wages. Working enough hours at low wages to support a family is often untenable. Women fail too often. This is not only demoralizing; it is economically debilitating. For many, welfare-to-work policies are a cruel hoax that makes legislators feel better about themselves, but leaves poor families in the lurch.

Ironically, for different reasons, many conservatives and some progressives are not so comfortable with the new welfare values of putting mothers to work—at least as they apply to middle- and upper-income mothers. Many would prefer to see all mothers in heterosexual marriages rather than on welfare or working. But conservatives are having a very hard time mandating marriage for anyone. Instead, they will settle for bullying welfare mothers, making sure gays and lesbians cannot get married, and providing hefty tax breaks for married stay-at-home moms.

The antifeminist version of this argument is that feminists have played a cruel hoax on the American people by insisting that women can

do it all—have fulfilling careers and be terrific mothers. For example, Danielle Crittenden (1999) argues that feminism is unnatural because women need to raise their own children and not be in the labor force full-time and hiring nannies. Women should stay home and let their husbands support them.

While the analysis and solution is faulty, the problem *of* having it all is real. Even assuming, as these authors typically do, that everyone is white and college educated, what may be at fault is not women wanting to be employed but, rather, what it means for both men and women to be in full-time jobs that pay living wages. Our current job structure is built on the assumption that unpaid labor is free and plentiful, while family-supporting jobs (with high pay and benefits) preclude the actual work of taking care of families. For families without the benefit of college education or ones that have historically and currently faced barriers to employment, men's falling wages and families' need for women's income means that all parents must be employed in order to have enough income to make ends meet.

For progressives, the sole focus on making employment a deserving behavior without also reevaluating the nature of care work is both practically and politically problematic. Rather than be preoccupied with the value of paid work in building a safety net, more progress for all might be made by focusing on the value of the economic work performed in the home and what constitutes a family.

WHAT WE NEED

A national discussion about the value of women's work in the home and the nature of low-wage work for women with children might redirect our nation's priorities. Rather than tax breaks, we might consider an infusion of public funds to help raise and take care of family members. Such a discussion might promote employers and the government to construct policies that revamp paid work to accommodate unpaid work, rather than the other way around.

At a minimum, we need universal, early education programs, extended school day programs, and child allowances. We should consider a shorter work week or at least income supplements to low-income workers who take part-time jobs so that families can still pay for basic needs like housing, health insurance, child care, food, and clothing. Paid family and medical leave and expanding unemployment insurance to cover less continuous and low-paying part-time work must also be in place. Pay equity would help, since women's wages are lower than men's in jobs that require comparable skills and effort. Enforcement of antidiscrimination laws and affirmative action would help low-income women of color.

If we as a nation recognized the value of women's work, we would not have welfare reform that substitutes public assistance with the earnings of mothers in low-wage jobs and a shallow set of supports that vanish quickly. Seeing the work of raising children as a benefit to families and society, not merely as a cost of going

to work, would mean developing a welfare-to-work regime that truly supports part-time waged work. Further, it might makes us more cognizant that for some families at some points in their lives, having the sole adult in the labor force is not possible or desirable. Public income supports for poor single mothers will always need to exist precisely because we value the work of mothers taking care of their children. Arbitrary time limits, meager benefits, and a fractured system of welfare defined by individual states (and sometimes counties) all work against a real safety net.

If there is an opportunity in welfare-to-work welfare reform, it is in recognizing that jobs, especially at the low end of the pay scale, do not pay enough to support families and do not provide the flexibility that parents need. It is only an opportunity, however, if we can get past the welfare-to-work mentality.

Notes

1. There are many leaver studies, too many to mention. A catalog of them can be found at http://www.researchforum.org/. For an excellent list of studies, go to http://www.welfarelinks.org/tracking.cfm.htm. In addition, Appendix L to the 2000 congressional Green Book includes findings from leaver studies (U.S. House of Representatives 2000).

2. For example, the introduction of a recent edited volume on employment and welfare reform by highly respected and relatively liberal labor economists concludes, "So far, the evidence suggests that welfare reform is proceeding as well as or better than most analysts had expected. In terms of declining caseloads and increasing work effort among single mothers, welfare reform has been an astonishing success . . . The research in this book suggests we are on the right track with many policy efforts" (Blank and Card 2000, 17-18).

3. This is made very clear in the findings section (101) of the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (H.R. 3734), which leads with these two findings: "1) Marriage is the foundation of a successful society; and 2) Marriage is an essential institution of a successful society which promotes the interests of children" (Public Law 104-193).

4. For a notable exception, see Cohen and Bianchi 1999.

References

Bane, Mary Jo. 1997. Welfare As We Might Know It. *American Prospect* 30(Jan./Feb.):47-53.

Bartik, Timothy J. 2000. Displacement and Wage Effects of Welfare Reform. In *Finding Jobs: Work and Welfare Reform*, ed. Rebecca Blank and David Card. New York: Russell Sage Foundation.

Bernstein, Jared and Heidi Hartmann. 2000. Defining and Characterizing the Low-Wage Labor Market. In *The Low-Wage Labor Market: Challenges and Opportunities for Economic Self-Sufficiency*, ed. Kelleen Kaye and Demetra Smith Nightingale. Washington, DC: U.S. Department of Health and Human Services.

Blank, Rebecca and David Card. 2000. Introduction: The Labor Market and Welfare Reform. In *Finding Jobs: Work and Welfare Reform*, ed. Rebecca Blank and David Card. New York: Russell Sage Foundation.

Blank, Rebecca M., David S. Card, and Phillip K. Robins. 2000. Financial Incentives for Increasing Work and Income Among Low-Income Families. In *Finding Jobs: Work and Welfare Reform*, ed. Rebecca Blank and David Card. New York: Russell Sage Foundation.

Burtless, Gary. 2000. Can the Labor Market Absorb Three Million Welfare Recipients? In *The Low-Wage Labor Market: Challenges and Opportunities*

for Economic Self-Sufficiency, ed. Kelleen Kaye and Demetra Smith Nightingale. Washington, DC: U.S. Department of Health and Human Services.

Cohen, Philip N. and Suzanne M. Bianchi. 1999. Marriage, Children and Women's Employment: What Do We Know? *Monthly Labor Review* 122(12):22-31.

Crittenden, Danielle. 1999. *What Our Mothers Didn't Tell Us: Why Happiness Eludes the Modern Woman*. New York: Simon and Schuster.

Danziger, Sheldon. 2000. Approaching the Limit: Early Lessons from Welfare Reform. Paper prepared at Rural Dimensions of Welfare Reform, sponsored by the Joint Center for Poverty Research, Northwestern University/University of Chicago. May. Available at: http://www.jcpr.org/wp/WPprofile.cfm?ID=203.

Darity, William A. Jr. and Samuel Myers Jr., with Emmett D. Carson and William Sabol. 1994. *The Black Underclass: Critical Essays on Race and Unwantedness*. New York: Garland Press.

Gordon, Linda. 1994. *Pitied but Not Entitled: Single Mothers and the History of Welfare*. New York: Free Press.

Haynes, Hilary W. 2000. The Employment, Earnings, and Income of Less Skilled Workers over the Business Cycle. In *Finding Jobs: Work and Welfare Reform*, ed. Rebecca Blank and David Card. New York: Russell Sage Foundation.

Jencks, Christopher. 1991. Is the American Underclass Growing? In *The Urban Underclass*, ed. Christopher Jencks and Paul E. Peterson. Washington, DC: Brookings Institution.

Miller, Cynthia, Virginia Knox, Lisa A. Gennetian, Martey Dodoo, Jo Anna Hunter, and Cindy Rodcross. 2000. *Reforming Welfare and Rewarding Work: Final Report on the Minnesota Family Investment Program. Vol. 1: Effects on Adults*. New York: Manpower Demonstration Research Corporation.

Mink, Gwendolyn. 1998. *Welfare's End*. Ithaca, NY: Cornell University Press.

Porter, Kathryn and Wendell Primus. 1999. *Changes Since 1996 in the Safety Net's Impact on Child Poverty*. Washington, DC: Center on Budget and Policy Priorities.

Primus, Wendell, Lynette Rawlings, Kathy Larin, and Kathryn Porter. 1999. *The Initial Impact of Welfare Reform on the Incomes of Single-Mother Families*. Washington, DC: Center on Budget and Policy Priorities.

Smith, David M. and Stephen A. Woodbury. 2000. Low-Wage Labor Markets: Changes over the Business Cycle and Differences Across Region and Location. In *The Low-Wage Labor Market: Challenges and Opportunities for Economic Self-Sufficiency*, ed. Kelleen Kaye and Demetra Smith Nightingale. Washington, DC: U.S. Department of Health and Human Services.

Spalter-Roth, Roberta, Beverly Burr, Heidi Hartmann, and Lois Shaw. 1995. *Welfare That Works: The Working Lives of AFDC Recipients*. Washington, DC: Institute for Women's Policy Research.

Solow, Robert. 1998a. Lecture I: Guess Who Likes Workfare? In *Work and Welfare*, ed. Amy Gutmann. Princeton, NJ: Princeton University Press.

———. 1998b. Lecture II: Guess Who Pays for Workfare? In *Work and Welfare*, ed. Amy Gutmann. Princeton, NJ: Princeton University Press.

U.S. Bureau of Labor Statistics. 2000. *Employment and Earnings*. Washington, DC: Government Printing Office.

U.S. Department of Health and Human Services. 1999. Administration for Children and Families. Office of Planning, Research and Evaluation. *Characteristics and Financial Cir-*

cumstances of TANF Recipients, July-September 1999. Available at http://www.acf.dhhs.gov/programs/opre/characteristics/fy99/analysis.htm.

U.S. House of Representatives. 2000. *Committee on Ways and Means, 2000 Green Book: Background Material and Data on Programs Within the Jurisdiction of the Committee on Ways and Means*. Washington, DC: Government Printing Office.

Wilson, William Julius. 1987. *The Truly Disadvantaged: The Inner City, The Underclass, and Public Policy*. Chicago: University of Chicago Press.

Violating Women: Rights Abuses in the Welfare Police State

By GWENDOLYN MINK

ABSTRACT: The Temporary Assistance for Needy Families (TANF) program subordinates recipients to a series of requirements, sanctions, and stacked incentives aimed at rectifying their personal choices and family practices. In exchange for welfare, TANF recipients must surrender or compromise their vocational freedom, sexual privacy, and reproductive choice, as well as the right to make intimate decisions about how to be and raise a family. As TANF's foremost objective is to restore the patriarchal family, numerous provisions promote marriage and paternal headship while frustrating childbearing and child-raising rights outside of marriage. Implementation decisions and a new wave of welfare reform underscore the centrality of marriage in welfare policy. The current thrust of welfare policy encourages poor mothers to be dependent on men, punishes them for independence, and withholds the material recognition necessary to sustain independence.

Gwendolyn Mink is author of Hostile Environment *(2000),* Welfare's End *(1998),* The Wages of Motherhood *(1995), and* Old Labor and New Immigrants in American Political Development *(1986). She was co-editor of* Whose Welfare? *(1999) and coeditor of* The Readers' Companion to U.S. Women's History *(1998). From 1996 to 1997, she cochaired the Women's Committee of 100, a feminist mobilization against punitive welfare reform; currently, she is working on the Women's Committee's efforts to change welfare policy.*

WHEN the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) repealed the old welfare system, it set up a harsh new system that subordinates recipients to a series of requirements, sanctions, and stacked incentives aimed at rectifying their personal choices and family practices. The Temporary Assistance for Needy Families (TANF) program, the welfare system established in 1996, disciplines recipients by either stealing or impairing their basic civil rights. In exchange for welfare, TANF recipients must surrender vocational freedom, sexual privacy, and reproductive choice, as well as the right to make intimate decisions about how to be and raise a family. Ordinarily, these rights are strongly guarded by constitutional doctrine, as they form the core of the Supreme Court's jurisprudence of (heterosexual) personhood and family. Not so for a mother who needs welfare.

The most talked-about aspect of TANF is its dramaturgy of work (cf. Piven and Cloward 1993, 346, 381, 395), but TANF's foremost objective is to restore the patriarchal family. Accordingly, numerous TANF provisions promote marriage and paternal headship while frustrating childbearing and child-rearing rights outside of marriage. TANF's impositions on poor mothers' rights to form and sustain their own families—as well as to avoid or exit from untenable relationships with men—proceed from stiff paternity establishment and child support enforcement rules. According to the *2000 Green Book*, TANF's "exceptionally strong paternity establishment requirements" compose its most direct attack on nonmarital childbearing, while mandatory maternal cooperation in establishing and enforcing child support orders impairs nonmarital child raising (U.S. House 2000c, 1530). If mothers do not obey these rules, they lose part or all of their families' benefits.

TANF's patriarchal solutions to welfare mothers' poverty have enjoyed bipartisan support. Democrats and Republicans did fight over some of the meaner provisions of the 1996 TANF legislation, but both agreed that poor women with children should at least be financially tied to their children's biological fathers or, better yet, be married to them. Endangering poor single women's independent childbearing decisions by condemning their decision to raise children independently, both parties agreed that poverty policy should make father-mother family formation its cardinal principle.

The 1996 PRWORA, which created TANF, spelled out policy makers' belief in the social importance of father-mother families in a preamble that recited correlations between single-mother families and such dangers as crime, poor school performance, and intergenerational single motherhood. Declaring that "marriage is the foundation of a successful society," the act went on to establish that the purpose of welfare must be not only to provide assistance to needy families but also to "end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage," "prevent and reduce the incidence of out-of-wedlock pregnancies," and "encourage the formation and maintenance of two-parent families" (U.S. Public Law 104-193, Title I). Subsequent legislation and administrative regulations have strengthened TANF's founding goals through fatherhood programs that "strengthen [fathers'] ability to support a family" and that promote marriage (U.S. House 2000a).[4]

The TANF welfare regime backs up these interventions into poor single mothers' intimate relationships by sanctioning mothers with mandatory work outside the home if they remain single. Mothers who are married do not have to work outside the home, even though they receive welfare, for labor market work by only one parent in a two-parent family satisfies TANF's work requirement (U.S. Public Law 104-193, Title I, sec. 407(c)(1)(B); U.S. House 2000c, 357).[5] Notwithstanding a decade of rhetoric about moving from welfare to work, the TANF regime treats wage work as the alternative to marriage, not to welfare—as punishment for mothers' independence.

Far from "ending dependency," the TANF regime actually fosters poor mothers' dependence on individual men. Provisions that mandate father-mother family relations assume that fathers are the best substitute for welfare. The TANF regime's refusal to invest in mothers' employment opportunities and earning power enforces this assumption, for the combination of skills hierarchies and discrimination in the labor market keeps poor mothers too poor to sustain their families unassisted (see, for example, Acs et al. 1999; Moffitt and Roff 2000; Wider Opportunities for Women 2000). Moreover, the TANF regime's inattention to social supports such as transportation and child care ensures that single mothers' full-time employment will be an unaffordably expensive proposition indeed.

More than a cruel punishment for their persistent independence, the TANF work requirement is an injury to poor mothers' liberty as both mothers and workers. Obliging recipients to work outside the home 20 hours each week, the work requirement forecloses TANF mothers' choice to work as caregivers for their own children. It also interferes with their independent caregiving decisions, as absences due to lack of child care, for example, can lead to loss of employment—a failure to satisfy the work requirement. Further, the work requirement constrains TANF mothers' choices as labor market workers, such as the choice to prepare for the labor market through education or the choice to leave a hostile workplace (for key provisions see U.S. Public Law 104-193, Title I, sec. 407 (a)(1), 407(c)(2)(B), 407(e)(1)).

These injuries of welfare reform are born of poverty but lived through race. About two-thirds of recipients today are African American, Asian American, Latina, and Native American. From the 1960s to the present day, 35 to 40 percent of recipients have been African American; in 1998, 37.1 percent of TANF recipients were black. Latina and Asian American participation has increased over this period, as the Latino and Asian American populations as a whole have increased. Latina participation

in 1998 was 20 percent, Asian American participation was 4.6 percent, and Native American participation was 1.6 percent (U.S. Department of Health and Human Services [DHHS] 1999, tab. 12; U.S. House 2000c, 439).

Steeper racial disparities in welfare participation may be in store, as white recipients are leaving the rolls more rapidly than are women of color or are not entering the rolls at all. In New York City, for example, the number of whites on welfare declined by 57 percent between 1995 and 1998, while the number of blacks declined by 30 percent and the number of Latinas by only 7 percent (DeParle 1998). Nationwide, whites' welfare participation has declined by 25 percent, while African Americans' participation has declined by 17 percent and Latinas' by 9 percent. As a result, women of color have increased as a percentage of TANF adults. In 24 states, women of color compose more than two-thirds of adult TANF enrollments; in 18 of those states, they compose three-quarters or more of enrollments (U.S. House 2000c, 439, tab. 7-29).

This racial distribution of welfare is the logical consequence of the racial distribution of poverty. Women of color have been and still are poorer than everyone else, single mothers of color even more so. In 1999, when 25.4 percent of (non-Hispanic) white single-mother families lived below the poverty line, 46.1 percent of African American and 46.6 percent of Latina single-mother families did so (U.S. Census Bureau 2000, tab. B-3). The racial distribution of poverty is enforced by racism and discrimination in most walks of life. In the labor market, for example, African American women who are employed full-time earn only 64 cents to the white male dollar and 84 cents to a white woman's. The wage gap for Latinas is even larger: 55 cents and 72 cents, respectively (U.S. Bureau of Labor Statistics 2000, chart 2, 3).

If the TANF regime's assault on poor mothers' rights wields an unmistakably disparate racial impact, it does so by imposing unmistakable constraints on poor mothers' gender practices. TANF's paternity establishment, child support enforcement, and work requirements primarily or exclusively target mothers who are not married—because they are not married. Although the total number of nonmarital births is highest among white women, the rate of nonmarital births per 1000 unmarried women has been highest among women of color: 73.4 for non-Hispanic black women and 91.4 for Latinas, as compared to 27 for non-Hispanic white women (U.S. House 2000c, 1238, 1521). Furthermore, although the total number of single-parent families is highest among whites, the percentage of single-parent families among black families (62.3 percent) is more than twice that among whites (26.6 percent). Moreover, the percentage of black families sustained by never-married mothers (36.5 percent) is exponentially greater than the percentage of white families (6.6 percent) (U.S. House 2000c, 1239, tab. G-4). Finally, according to the *2000 Green Book*, the poverty rate is highest among "independent families" (57.7 percent) and "cohabiting families" (38 percent) sustained by never-married mothers, among whom women of color figure disproportionately (U.S. House 2000c, 1246, tab. G-11).

Given the racial distribution of poverty, the presence of nonmarital mothers of color on TANF rolls is disproportionately high. TANF's gendered provisions are therefore racialized in their effects. These effects are not unplanned, for sounding the alarm against "fatherless childrearing," the TANF regime stakes itself to "the perspicacity of Moynihan's vision" that "black Americans [are] held back economically and socially in large part because their family structure [is] deteriorating" (U.S. House 2000c, 1519). And so the TANF regime exploits women-of-color poverty to suffocate single mothers' independence.

WOMEN'S RIGHTS UNDER TANF

The rights imperiled by TANF policies range from basic expectations of autonomy and privacy among civilized and respectful people to liberty guarantees that have been deemed fundamental to constitutional citizenship. Diminishing or withholding liberty guarantees from poor single mothers who receive welfare, the TANF regime creates a welfare caste to whom constitutional principles do not apply.

One of the engines behind the 1996 welfare reform was the idea that constitutional protections won by recipients during the 1960s and early 1970s had undermined recipients' responsibility and increased their dependency. The 1996 law accordingly aimed to substitute welfare discipline for welfare rights. This involved inventing or refining program requirements to minimize participants' decisional autonomy, personal privacy, and independent personhood. Program rules not only require states to injure recipients' rights but also require recipients to explicitly acquiesce to injury in personal responsibility contracts that they must sign either to apply for or to participate in TANF (State Policy Documentation Project 1999b).

The most visible rights abuse of the TANF regime is its impairment of recipients' vocational liberty. Mandatory work requirements obligate recipients to perform labor market work even if they are not paid for that work. Work requirements compel recipients entering the paid labor force to take the first job they are offered, even if they will not be paid a fair wage or supplied with tolerable working conditions. Moreover, work requirements prohibit recipients from performing family work except after hours, while these requirements permit them to perform the same work (that is, child care) for other people's families. By compelling a particular kind and location of work, TANF indentures recipients to the dramaturgy of work and so dictates their vocational choices (Mink 1998, chap. 4).

Family freedom is another right impaired by TANF program requirements, incentives, and preferences. TANF provisions tell recipients who gets to be part of their families. Paternity establishment and child support rules require mothers to associate at least financially with biological fathers. States may excuse

a mother from complying for "good cause," if it is "in the best interest of the child" (U.S. House 2000c, 470). In general, however, a mother must reveal the identity of her child's father and must pursue a child support order against him, whether or not she wants him financially involved in her family's life. Seventeen states require mothers to cooperate with paternity establishment and child support enforcement while their TANF applications are pending—before they receive even a dime in cash assistance (State Policy Documentation Project 1998a). Once a mother receives TANF benefits, her failure to cooperate results in an automatic 25 percent reduction in cash assistance to her family; states are permitted to terminate welfare eligibility altogether (Public Law 104-193, Title I, sec. 408(a)(2)).

In addition to requiring mothers to associate financially with fathers through child support, if not through marriage, TANF pressures mothers to yield parental rights to biological fathers. Access and visitation provisions authorize states to require mothers to open their families to biological fathers. Until 1996, the federal government historically had separated fathers' rights from their obligations, treating visitation and child support as legally separate issues. Under TANF, however, these issues are explicitly connected because policy makers believe that "it [is] more likely for noncustodial parents to make payments of child support if they [have] either joint custody or visitation rights" (U.S. House 2000c, 469).

As TANF's implementing agency at the federal level, the DHHS not only enforces TANF provisions but enhances enforcement with additional regulations and programs. One program, the Clinton administration's Fatherhood Initiative, aggressively works to improve paternity establishment rates. It claims to have contributed to the tripling of established paternities from 512,000 in fiscal year 1992 to 1.5 million in fiscal year 1998 (U.S. DHHS 2000c).

The DHHS administers TANF's provisions for access and visitation programs for fathers through a $10 million annual block grant to states to promote such programs. States may use their funds for mandatory mediation services, for visitation enforcement, and to develop guidelines for alternative custody arrangements (U.S. DHHS 2000c). Access and visitation funds may also be used for programs to encourage or require separating or divorcing parents to reconsider their decision, such as Iowa's mandatory education program on the impact of divorce on children (Bernard 1998, 9-10).

To further promote fathers' involvement in families, Clinton's DHHS awarded grants and waivers to states in support of governmental, faith-based, and nonprofit initiatives such as Parents' Fair Share and Partners for Fragile Families, which aim to engage fathers in the legal, emotional, and financial aspects of parenthood (U.S. DHHS 2000b). DHHS complements its strategy toward fathers with suggestions about how TANF funds can be used to promote marriage among mothers. Department guidelines point out that TANF

block grants are "extraordinarily flexible" and allow states to "*change eligibility rules to provide incentives for single parents to marry or for two-parent families to stay together*" (U.S. DHHS 2000d, 3, 19; italics added). Eligibility rules for parents who need TANF—mostly single mothers—can include mandatory enrollment in marriage classes and couples counseling; incentives can include cash payments to TANF mothers who marry.

Asserting an inexorable connection between family structure, economic well-being, and child welfare, these sorts of initiatives override mothers' judgment of their own and their children's best interests. A condition of receiving welfare, these initiatives force poor single mothers to compromise their independence and even to put their rights to their children at risk.

TANF's insistence on biological fathers' responsibility for welfare mothers' children also invades recipients' sexual privacy. Although only consensual heterosexual sex between adults is shielded by privacy under reigning jurisprudence, even that partial right is withheld from unmarried mothers who seek welfare. Mandatory paternity establishment and child support provisions require a mother to identify her child's biological father in order to be eligible for welfare. These provisions single out nonmarital mothers for scrutiny and punishment, as paternity is automatically established at birth if a mother is married. A mother who is not married, who does not know who her child's biological father is, or who does not want anything to do with him must nevertheless provide welfare officials with information about him.

Even under TANF's predecessor, the Aid to Families with Dependent Children program, paternity establishment rules compromised recipients' privacy. To get the needed information, welfare officials and courts have required independent mothers to answer such questions as, "How many sexual partners have you had? . . . whom did you have sex with before you got pregnant? . . . how often did you have sex? . . . where did you have sex? . . . when did you have sex?" (Kelly 1994, 303-4). TANF encourages more aggressive and systematic intrusion into recipients' sex lives because states are required to punish noncooperating mothers with benefits cuts, because mothers must sign child support income over to the state as a condition of receiving welfare, and because the federal government offers states incentives and services to boost paternity establishment rates.

Sexual privacy is an aspect of reproductive freedom. TANF injures other reproductive rights when it interferes in women's childbearing decisions. For example, the TANF regime let stand state-level policies withholding benefits from children born to mothers who are enrolled on welfare. Beginning in the early 1990s, many states had promulgated these "family cap" policies after securing waivers from federal welfare standards from the Bush II and Clinton administrations. The family cap impairs reproductive rights because it punishes and deters a

recipient's choice to complete a pregnancy.

TANF further injures reproductive rights through something called "illegitimacy bonuses" (Public Law 104-193, Title I, sec. 403(a)(2)). The bonus is paid to the five states that most successfully reduce the number of nonmarital births without raising the abortion rate. This gives states incentive to discourage conception by unmarried women—by offering cash awards to women who use Norplant, for example.

Sending a further message against having children outside marriage, the TANF regime funds states that offer abstinence education programs. The abstinence education program is required to teach women not to have sex, let alone babies, until they are "economically self-sufficient." States may devolve these programs to private grantees, including church-based groups that teach that abstinence is a matter of "values" and "sexual morality" (Trousseau n.d.). As a corollary to abstinence education, TANF calls for invigorated statutory rape prosecutions—underscoring the abstinence message with the threat of criminal sanctions where teenagers are involved (Public Law 104-193, Title I, sec. 402(a)(1)(v)). As a poor minor woman's nonmarital pregnancy is proof of sex before economic self-sufficiency, the threatened prosecution of nonmarital sex involving welfare recipients is another intrusion on poor single mothers' independence, including their reproductive autonomy. When threats fail in their desired effect of preventing sex and pregnancy, TANF's prohibition on assistance to unmarried teenage mothers delivers unambiguous punishment.

The TANF regime's various injuries to recipients' reproductive rights ultimately assail poor single women's right to be mothers. The final blow to this right is delivered by child welfare and adoption provisions that speed and ease terminating poor mothers' custody of children. Although the TANF legislation repealed the income entitlement that had belonged to poor mothers and their children, it continued children's entitlement to be removed from unfit parents and their placement in foster care. I have no quarrel with children's entitlement to protective services. However, the discretion delegated to child welfare workers permits them to deploy children's entitlement to foster care as a weapon of welfare discipline against their mothers. A mother who does not comply with work requirements might be deemed an unfit provider, for example. A mother who leaves her child alone to go to a job interview because she cannot find child care might be deemed an unfit caregiver. If she is sanctioned off welfare, has to take a low-wage job, or exhausts her eligibility, a mother may not be able to pay the rent or feed her children. These kinds of circumstances can lead to a finding that she is neglectful. A "neglectful" mother may lose custody of her child, or she may come under intensive supervision by government.

Indeed, DHHS TANF guidelines specifically encourage states to sustain scrutiny of sanctioned recipients for possible unfit parenting. The TANF regime mandates sanctions

against recipients who do not meet work requirements, do not cooperate in establishing paternity, or do not cooperate in enforcing child support orders. Sanction penalties vary among states and range from a reduction in an individual mother's benefit the first time she fails to meet her work requirement, to the federally mandated reduction in a family's benefit when a mother fails to cooperate with paternity establishment and child support enforcement, to termination of a family's TANF assistance altogether (see State Policy Documentation Project 1999c). As a practical matter, sanctioned families frequently also lose their Medicaid, even though they remain entitled to receive it. Accordingly, TANF penalties not only breed material vulnerability but also medically endanger families (Dion and Pavetti 2000, 16-17).

DHHS guidelines stipulate that welfare monies may be used to "screen families who have been sanctioned under TANF" to determine whether children are at risk of child abuse or neglect. Mothers who do not want child support, or who do not want to identify biological fathers, or who cannot meet the 30-hour-weekly work requirement thus come under suspicion as abusive or neglectful parents. Mothers who exercise their rights and independent judgment are held to account for the consequences of TANF's brutal rules. If a mother's children are found to be at risk due to sanctions, TANF funds may be used to provide "case management services" to "cure" the mother's noncompliance with TANF rules (U.S. DHHS 2000d, 19).

TANF mothers who lose their benefits, like employed single mothers whose wages are too low to pay for housing, food, or medical care, may surrender their children to foster care. Occasionally, a mother might do so voluntarily until she can get back on her feet. Alternatively, child welfare workers might pressure a mother to do so. The 1997 Adoption and Safe Families Act threatens mothers who have lost their children to foster care with the permanent termination of their parental rights. Designed to accelerate and increase foster care adoptions, the act requires child welfare workers to consider terminating parental rights if a child has been in foster care for 15 out of the previous 22 months (U.S. House 1997; Public Law 105-89). In the four years since enactment of the adoption law, adoptions have increased significantly. According to DHHS, adoptions rose from 28,000 in 1996 to 46,000 in 1999 (U.S. DHHS 2000a). We do not yet have hard evidence directly linking the rise in adoptions with recipients' loss of children. However, with a time limit on parental rights shorter even than the federal time limit on welfare, the adoption law hovers within the TANF regime as the regime's final solution to independent motherhood.

ENSURING INDEPENDENCE

Time limited and disciplinary, the terms of cash assistance enforce poor single mothers' inequality. One measure of this inequality is the persistence of poverty even among mothers who have left welfare for the labor market. Three years after leaving

80-213 D-3

welfare, the median income among employed former welfare recipients was only $10,924 in 1999—well below the poverty line of $14,150 for a family of three. In many former TANF families, income is so low or so tenuous that families must skip meals, go hungry, use food pantries, or apply for emergency food assistance (Women of Color Resource Center 2000; Study Group on Work, Poverty, and Welfare 1999). The main reasons for the persistence of poverty among former TANF recipients is that they are moving primarily into low-wage and contingent jobs without benefits, losing access to food stamps and Medicaid, and surrendering as much as 25 percent of their paychecks to child care.

Recognizing that ending welfare did not end single mothers' poverty, many policy makers are eager to pursue a next step in welfare reform. Already under way, this next step has taken legislative form in bipartisan initiatives to promote marriage and to enhance paternal wages and the paternal role. Such proposals have been espoused in various ideological quarters: by both Al Gore and George Bush during the 2000 presidential campaign; by Republican congresswoman Nancy Johnson (R-Conn.) and Democratic senator Evan Bayh (D-Ind.); by the Heritage Foundation's Robert Rector and by House Democrat Jesse Jackson Jr. (D-Ill.). They reveal a consensus that what poor single mothers need is a father's income. A related consensus is that if welfare reform has fallen short it is because too few recipients have gotten married.[3]

The most extreme calls for marriage promotion and fatherhood enhancement come, not surprisingly, from Robert Rector and others at the Heritage Foundation and from Wade Horn, a founder of the National Fatherhood Initiative whom the second George Bush picked to become assistant secretary of DHHS for welfare and related issues. In the Heritage Foundation's *Priorities for the President*, published to greet the new Bush (II) presidency in January 2001, Rector proposed substituting the current financial incentives to states that increase their marriage rates with financial punishments to states that fail to do so. In addition, he urged policymakers to set aside $1 billion in TANF funds annually for marriage promotion activities; to offer incentives and rewards to parents who marry; and to create an affirmative action program in public housing for married couples. Many of Wade Horn's proposals closely track Rector's. In fact, he has endorsed Rector's suggestion that women "at high risk of bearing a child out of wedlock" be paid $1000 annually for five years if they bear their first child within marriage and stay married (Horn 2001). In addition, Horn would further ratchet up the pressure on poor mothers to marry by limiting social programs—such as Head Start, public housing, and welfare—to married parents, allowing participation by single mothers only if funds are left over (Bush and Horn 1997).

Although the most strident calls to condition social benefits on poor mothers' family formation decisions come from conservatives, the idea that social policy should encourage

marriage and promote fatherhood enjoys favor in both political parties. Some Democrats and liberal policy wonks—Evan Bayh and Wendell Primus, for example—have argued for Wade Horn's confirmation (Pear 2001). Meanwhile, four bipartisan fatherhood bills had been introduced into the 107th Congress by May 2001 (H.R. 1300; H.R. 1471; S. 653; S. 685).

The first major fatherhood bill to surface in Congress was the Fathers Count Act, which sailed through the House of Representatives in fall 1999. During the final months of the 106th Congress in 2000, Representative Nancy Johnson shepherded similar fatherhood legislation though the House. Part of the Child Support Distribution Act of 2000, Johnson's bill included a $140 million matching-grant program for local projects that promote marital family formation among poor single mothers and a $5 million award to a national fatherhood organization with "extensive experience in *using married couples* to deliver their program in the inner city" (U.S. House 2000a, Title V, Subtitle B, sec. 511 (c)(2)(c), italics added). The committee report accompanying the bill explained that "increasing the number and percentage of American children living in two-parent families is vital if the nation is to make serious and permanent progress against poverty" (U.S. House 2000b, 17).

Measures like the Johnson bill explicitly give fathers incentives to enter poor mothers' families. For example, the Johnson bill offered funds to projects that teach fathers about their visitation and access rights (U.S. House 2000b, 42); promoted forgiveness of child support arrearages owed by men who become residential fathers; enhanced fathers' earning power through job training and "career-advancing education"; and tracked nonmarital fathers into various social services that encourage marriage (U.S. House 2000a, Title V, Subtitle A, sec. 501(a) and 501(b)). These incentives to fathers impose substantial pressures on mothers, for it is mothers, not fathers, who must obey TANF rules and suffer the consequences of time limits. Fathers get the "carrots," to borrow from Charles Murray, while mothers get the "sticks."

Jesse Jackson Jr.'s Responsible Fatherhood bill duplicated the Johnson bill in many respects. Perhaps more astounding, much of the race-coded, anti-single-mother rhetoric that introduced the Republicans' 1996 PRWORA was repeated in the preamble to the Jackson bill. For example, Jackson's bill asserted that "violent criminals are overwhelmingly males who grew up without fathers and the best predictor of crime in a community is the percentage of absent father households." The preamble concluded, "States should be encouraged, not restricted, from implementing programs that provide support for responsible fatherhood, promote marriage, and increase the incidence of marriage" (U.S. House 2000d).

Bipartisan marriage and fatherhood initiatives assume that poor mothers' intimate decisions about family forms and relationships cause their poverty. They also assume that it is appropriate for government to

interfere in the intimate associational life of poor mothers. Even as government scales back its affirmative role in mitigating poverty, it is intensifying its coercive reach into the lives of the poor. Now squarely at the center of poverty policy, marriage promotion and fatherhood initiatives seek to compel mothers to follow the government's moral prescriptions and to accept economic dependence on men.

It is true that a family with a male income generally is better off than a family without one. While some moralistic welfare strategists believe that married fatherhood per se is an important governmental objective, more pragmatic policy strategists reason syllogistically that if men's families are better off economically than women's, then poverty can be cured by the presence of a male income in families. This kind of thinking short circuits equality, foreclosing the question of improving women's own income. If we look at the various measures of women's and mothers' poverty—women's income as compared to men's, for example—it is clear that single mothers are poor because women's work is not valued. This is true of women's labor market work, where a racialized gender gap in wages reflects the devaluation of the work women do. And it is true of women's nonmarket caregiving work, which garners no income at all.

The interconnectedness between poverty, caregiving, and inequality never has received wide or focused attention in the United States. While there have been policies that have provided income assistance to family caregivers, either those policies have been stingy and marginal or their beneficiaries have been relatively few. In addition, to the extent that welfare and other policies have assisted family caregivers, they have done so primarily to protect children's interests rather than to compensate mothers' work or to promote mothers' equality.

Most U.S. feminists have been leery of taking up the cause of women's caregiving work, preferring to promote women's equality as labor market workers than to risk a return to compulsory domesticity. In response to the TANF regime, however, some feminists have begun not only to resist welfare's moral discipline but also to reconceive welfare as caregivers' income (Women's Committee of One Hundred 2000). The idea is that what caregivers—usually mothers—do for their families is work. Moreover, it is work that is indispensable not only to a mother's own family but to her community, the economy, and the polity as well.

Far from a sign of dependence on government, a caregivers' income would provide mothers with economic means in their own right. This would promote equality in father-mother relations both because it would unmask the economic value of mothers' side of the sexual division of labor and because it would enable mothers to exit unhappy, subordinating, or violent relations with the fathers of their children. It also would nurture equality among citizens by establishing that it is not only market work that should earn a living wage but also the caring work upon which the market depends for workers. In turn, a caregivers' income would promote equality among women—between middle-class married caregivers who enjoy social and political support when they choose to work in the home raising children and poor unmarried caregivers whom welfare policy now compels to choose wages over children.

Improved economic rewards and social supports for women's work outside the home are necessary companions to a social wage for their work inside the home. Women must not be pressured into giving care by the low returns of their labor market participation. Just as important, they must not be pressured to forsake care work by the threat of destitution. In combination with labor market reforms, a caregivers' income would indemnify women's—and even men's—vocational choices. "Making work pay" both in the home and in the labor market would combat persistent poverty among single-mother families without pinning family security to fathers' responsibility.

Rethinking welfare as an income owed to caregivers would mitigate severe material vulnerabilities endured by single mothers. Further, it would exhume the rights suffocated by both poverty and the current welfare system. Once it is understood that welfare mothers are poor because their family caregiving work is unremunerated, not because they do not work or are not married, the focus of welfare prescriptions can shift from how to reform poor caregivers to how to ensure their economic and constitutional equality.

Notes

1. The 1996 welfare-to-work amendments loosened rules governing noncustodial parents' eligibility for services. Noncustodial fathers of children enrolled in TANF are eligible for welfare-to-work services, for example, if they are unemployed, underemployed, or having difficulty paying child support obligations. Eligibility for welfare-to-work services is not an entitlement—that is, it is not guaranteed to all who meet the program's criteria. Hence, fathers' increased access to services takes services away from mothers on the brink of reaching welfare time limits. (U.S. Department of Labor 1999).

2. A two-parent family is required to work 35 hours weekly (as compared to the 30-hour-per-week requirement for single parents), unless the family receives federally funded child care. A two-parent family that sends its child or children to federally funded child care must perform 55 hours of labor market work weekly, which permits married mothers to work part-time.

3. Only 0.4 percent of TANF cases closed between October 1997 and September 1998 were closed due to marriage (U.S. DHHS 1999, tab. 311).

References

Acs, Gregory, Norma Coe, Keith Watson, and Robert I. Lerman. 1998. *Does Work Pay? An Analysis of the Work Incentives Under TANF*. Washington, DC: Urban Institute.

Bernard, Stanley. 1998. Responsible Fatherhood and Welfare: How States Can Use the New Law to Help Children. In *Children and Welfare Reform*. Issue Brief no. 4. New York: Columbia University, National Center for Children in Poverty.

Bush, Andrew and Wade Horn. 1997. *Fathers, Marriage and Welfare Reform*. Available at http://www.welfarereformer.org/articles/father.htm.

DeParle, Jason. 1999. Shrinking Welfare Rolls Leave Record High Share of Minorities. *New York Times*, 24 July.

Dion, Robin M. and LaDonna Pavetti. 2000. *Access to and Participation in Medicaid and the Food Stamp Program*. Washington, DC: Mathmatica Policy Research.

Heritage Foundation. 2001. *Priorities for the President*. Alexandria, VA: Heritage Foundation.

Horn, Wade. 2001. Wedding Bell Blues: Marriage and Welfare Reform. *Brookings Review* 19(3):39-42.

Kelly, Lisa. 1994. If Anybody Asks Who I Am: An Outsider's Story of the Duty to Establish Paternity. *Yale Journal of Law and Feminism* 6:303-4.

Mink, Gwendolyn. 1998. *Welfare's End*. Ithaca, NY: Cornell University Press.

Moffitt, Robert and Jennifer Roff. 2000. The Diversity of Welfare Leavers: A Three City Study. Working Paper 00-01. Johns Hopkins University, Baltimore, MD.

Pear, Robert. 2001. Nominee's Focus on Married Fatherhood Draws Both Praise and Fire. *New York Times*, 7 June.

Piven, Frances Fox and Richard Cloward. 1993. *Regulating the Poor*. Updated ed. New York: Vintage.

State Policy Documentation Project. 1999a. Pending Application Requirements. Available at http://www.spdp.org/tanf/applications. Accessed May 1999.

———. 1999b. Personal Responsibility Contracts: Obligations. Available at http://www.spdp.org/tanf/applications/appsumm.htm. Accessed June 1999.

———. 1999c. Sanctions for Noncompliance with Work Activities. Available at http://www.spdp.org/tanf/sanctions/sanctions_finding.htm. Accessed June 1999.

Study Group on Work, Poverty and Welfare. 1999. *Assessing Work First: What Happens After Welfare?* New Jersey: Study Group on Work, Poverty and Welfare. Cited in Women of Color Resource Center 2000.

Toussaint, Pierre. N.d. Empowering the Vision: Abstinence Education Grant Proposal to the Florida State Human Services Division. Duplicated.

U.S. Bureau of Labor Statistics. 2000. *Highlights of Women's Earnings in 1999*. Report 942. Washington, DC: U.S. Department of Labor.

U.S. Census Bureau. 2000. *Poverty in the United States, 1999*. Washington, DC: U.S. Department of Commerce.

U.S. Department of Health and Human Services. 1999. Administration for Children and Families. *Characteristics and Financial Circumstances of TANF Recipients, Fiscal Year 1998*. Washington, DC: U.S. Department of Health and Human Services.

———. 2000a. HHS Awards Adoption Bonuses and Grants. *HHS News*, 20 (Sept).

———. 2000b. *HHS Fatherhood Initiative: Improving Opportunities for Low-Income Fathers*. Washington, DC: U.S. Department of Health and Human Services.

———. 2000c. *HHS's Fatherhood Initiative: Fact Sheet*. Washington, DC: U.S. Department of Health and Human Services.

———. 2000d. Administration for Children and Families, Office of Family Assistance. *Helping Families Achieve Self-Sufficiency: Guide for Funding Services for Children and Families Through the TANF Program*. Available at http://www.acf.dhhs.gov/programs/ofa/funds2.htm.

U.S. Department of Labor. 1999. The 1999 Welfare to Work Amendments. Available at http://wtw.doleta.gov/law-regs/99amedsum.htm.

U.S. House. 1997. *Adoption Promotion Act of 1997*. 105th Cong., 1st sess., H.R. 867.

———. 2000a. *Child Support Distribution Act of 2000*. 106th Cong., 2nd sess., H.R. 4678.

———. 2000b. Committee on Ways and Means. *Child Support Distribution Act of 2000: Report to Accompany H.R. 4678*. 106th Cong., 2nd sess.

———. 2000c. Committee on Ways and Means. *2000 Green Book: Overview of Entitlement Programs*. 106th Cong.

———. 2000d. *The Responsible Fatherhood Act of 2000*. 106th Cong., 2nd sess., H.R. 4671, Jesse Jackson Jr., sponsor, 2nd sess.

U.S. Public Law 104-193. 104th Cong., 22 Aug. 1996. *Personal Responsibility and Work Opportunity Reconciliation Act*.

U.S. Public Law 105-89. 105th Cong., 19 Nov. 1997. *Adoption and Safe Families Act*.

Wider Opportunities for Women. 2000. *Job Retention and Advancement: Issues*. Washington, DC: Wider Opportunities for Women.

Women of Color Resource Center. 2000. *Working Hard, Staying Poor: Women and Children in the Wake of Welfare "Reform."* Berkeley, CA: Women of Color Resource Center.

Women's Committee of One Hundred/Project 2002. 2000. *An Immediate Proposal: Rewarding Women's Work to End Poverty*. Available at http://www.welfare2002.org. Accessed 23 Mar 2000.

ANNALS, AAPSS, 577, September 2001

Closing the Care Gap That Welfare Reform Left Behind

By LUCIE E. WHITE

ABSTRACT: This article begins by drawing from an interview with Johnnie Tillmon, a grassroots leader of the National Welfare Rights Organization, to locate welfare reform in the context of cultural anxieties about an eroding racial order and shifting gender roles. It then considers the sorts of state policies and legal entitlements that could reassure the care-work that has heretofore been subsidized by low-income women's labor and argues that such innovations are not beyond the reach of a pragmatic postmodernist democracy.

Lucie E. White is the Louis A. Horvitz Professor of Law at Harvard Law School. She is a founder of the Kitchen Table Conversations Project, a group of low-income women who support one another while advising the City of Cambridge on social policy issues. She is the coeditor, with Joel Handler, of Hard Labor: Women and Work in the Post-Welfare Era.

JOHNNIE Tillmon was one of the grassroots leaders of the National Welfare Rights Movement in the late 1960s. She stood for the idea that the welfare rights movement should be anchored in strong community-based groups, like the one that she founded in Los Angeles (Quadagno 1994; Davis 1993; West 1981). In a 1993 interview with the author, Tillmon wanted to make one thing clear: she had always worked for wages, from when she was a child, cleaning white folks' houses and taking care of their children. After she settled in Los Angeles, she took a job in a laundry, doing the best that she could to find care for her children while she was at work. It was only after she got hurt on the job in the mid-1960s that it occurred to Tillmon to apply for welfare for a time. She found the whole experience profoundly humiliating.

As she told her story, Tillmon underscored several points. First, she felt morally entitled to welfare because of her solid work record, even as a single mother. Second, although her work at the laundry was hard, she was proud that she had done it. Third, it was the injustices she confronted when she went on welfare that turned her into a welfare rights activist.

The biggest problem with the old welfare system, according to Tillmon, was its race prejudice. For Johnnie Tillmon, welfare seemed like a system that was set up to tear down the self-esteem of the women who used it, especially black women, like herself, who had come upon hard times. If the government was going to have welfare at all, it should not injure the very people it was supposed to be helping.

The second problem with the welfare system, according to Tillmon, was that to get welfare you had to swear that you were not working under the table. Yet welfare did not pay you enough to live on. Furthermore, getting welfare made you say that you wanted to stay at home all the time, rather than working. Johnnie Tillmon and the other women that she knew had always been both mothers and workers, from the days of slavery (Jones 1995).

Johnnie Tillmon and the other grassroots women who took to the streets in the 1960s sought a welfare system that would respect their dignity. They dreamed of a welfare system with rules that would admit to, rather than make them deny, the bread-and-butter realities of their lives. They dreamed of a system in which getting welfare would not make them deny that they were workers and mothers at the same time. They just wanted decent working conditions and decent pay. They wanted some extra help when they got sick or could not find a good job or needed some time off of work to take care of their children. They wanted a welfare system that they were not cut out of, a system that their lives and their ideas had played some part in shaping.

WHY A WORK-BASED WELFARE SYSTEM?

In August of 1996, the federal government enacted the Personal Responsibility and Work Opportunity Reconciliation Act, which requires states to put most Temporary Aid to Needy Families (TANF)-funded welfare recipients into workfare jobs for between 20 and 30 hours a week and limits their lifetime maximum access to TANF to five years. Congress rationalized these requirements by declaring that low-income single-parent families, just like all other American families, should be expected to support themselves through work.

Should progressive scholars endorse a work-based alternative to a stay-at-home welfare entitlement? There are several reasons to give serious consideration to the idea. First, to many low-income women, like Johnnie Tillmon, a work-based safety net seems far superior to a stay-at-home cash entitlement, even one that, unlike Aid to Families with Dependent Children (AFDC), pays a decent level of benefits. A web of social policies for assuring all families a decent life through waged work would fit more closely with the historically embedded values, the real-life practices, and the aspirations of many low-income women, including but not exclusively African Americans (Schultz 2000).

Second, a work-based safety net would align social policy with the social science data suggesting that working outside of the home can be a very good thing for women's well-being and their children's development. Working outside of the home can help to combat the intense isolation that many low-income single mothers feel and the emotional suffering that often goes with it (Bassuk et al. 1998; Dodson 1998; Weisbourd 1997). Work, even low-wage work, has the potential to enhance a single mother's feelings of self-esteem, competency, and social connection. It can give her a bulwark of social and institutional support against the risk of intimate violence. It can provide positive role models for her children.

Finally, a work-based safety net would bring low-income single mothers into the mainstream of social and civic life in our work-centered society. As many of the liberal proponents of welfare reform have insisted, a work-based safety net would enable low-income single mothers to pursue the goals of personal autonomy, gender equality, and social inclusion on the same basis as elite women.

So while there are many good reasons to endorse the idea of a work-based safety net, it is the concrete social policies that might realize this idea, especially here in the United States, that are so hard to imagine. The web of policies it would take to create a real work-based safety net in this country would mean nothing less than ending low-wage work, at least as we know it today. Furthermore, that web of policies would soften the rigid boundaries that separate the nuclear family from the wider community and that wall off the formal sector low-wage workplace from both of these spheres.

A work-based safety net that starts from what Lisa Dodson (2000) calls "the groundtruth" of low-income single mothers' lives would bring workplace and state-based social policies into closer alignment with the interweaving of workplace, family, and community that has marked

the lifeworlds of African American women throughout our country's history. It would also undermine the rigid dichotomy between worker and mother that the old, Mothers' Pension/AFDC welfare regime imposed.

In this article, I use the example of child care to outline some of the features that a realistic work-based safety net would need to include. Crafting a realistic work-based safety net is not a technical problem that can be solved through the expertise of lawyers and policy experts. Rather, it will require a major reshaping of the values and practices in the domains of waged work, the family, and the community (Fraser 1997, Harrington 1999, Williams 2000). Let's start by looking at some of the trends that have shaped public policies here in the United States regarding race, gender, work, and care.

THE HISTORICAL ROOTS OF THE CHALLENGE

The demise of the family wage and rise of the care gap

In the first half of this century, the family wage was the dominant social policy in the United States for socially resourcing the care of children, elders, and other non-wage-earning persons. According to the family wage idea, employers would pay each male worker enough to support his entire nuclear family. The Mothers' Pension/AFDC welfare regime reinforced the family wage care deal by giving a state-funded cash pension directly to single mothers, especially widows, who fit the domestic ideal of the family wage era. The family wage was a normative arrangement rather than a widespread social practice. It was common among elite white working- and middle-class households, in which the male worked in a unionized job or professional/managerial position.

The family wage norm failed to penetrate the work-family arrangements of single-parent households that were not deemed to be worthy of the Mothers' Pension either because they brought on their own single motherhood or because they failed to comply with Euro-American cultural norms of domesticity. Nor did it penetrate the work-family arrangements of African Americans or other nonwhite racial groups at all, as access to family-wage-level jobs was rigidly segregated. Thus, in all but the most affluent two-parent families of color, both husband and wife routinely worked outside of the home.

Caretaking in these households was typically handled through extended family networks and community-based caretaking institutions, such as churches, fraternal organizations, and what were often very elaborate locally organized social welfare networks. The care work was resourced, for the most part, through a noncash economy in which goods and services were donated and exchanged informally, in accord with a value system that was rooted in faith, family cohesion, and race solidarity (Collins 2000; hooks 1984; White 2000). Sometimes older children did substantial portions of the household's waged work and care work, while younger children were often left

without care or taken by charities or the state.

In the 1960s and 1970s, the family wage formula, and the cult of domesticity that went with it, came under challenge from the liberal, second-wave women's movement, which promoted a vision of women's liberation that was premised on women assimilating themselves to a male-identified ideal-worker norm. The well-to-do wives of family-wage-earning males were no longer satisfied to stay at home minding the children (Williams 2000).

But how would this modern woman respond to the care gap that her exit left behind? Some simply put off having children altogether. Others found partners willing to take over the caretaking work. Many tried to buy the services of care workers, nannies, house cleaners, preschool and after-school programs, and elder care. This last solution is prohibitively expensive, even for families with two high-wage workers, especially if the care work that is purchased with one's income is paid at salary levels that will permit the care workers themselves to purchase care for their dependents while they work.

Furthermore, there are some care needs that money just cannot buy. These "interstitial" care needs, as Nancy Fraser (1997) has labeled them, are hard to farm out to paid caregivers, no matter how much money one has to spend, and all but impossible if one's budget for care has its limits. They range from giving birth, to shuttling kids between different caretakers, to dealing with kids or caretakers who are too sick to follow the routine, to responding to a loved one's need for the kind of attention that just cannot be delegated.

The commodification solution to the post-family-wage care gap has been a recipe for frustration among the middle- and upper-income households that have tried to make it work. Modern women, as well as their families, have found themselves increasingly caught between a rock and a hard place as they try to be equal with men in the workplace while coping with the care gap that they have left behind in the home.

Conservative forces have responded to this crisis by invoking religious and moral themes to urge households to turn back the clock. They have urged families and the society at large to reaffirm nuclear marriage and, within it, the traditional division of the breadwinning and caretaking household roles.

Yet these backward-looking solutions have not been feasible. Since the late 1970s, U.S. firms have been downsizing and restructuring in order to remain competitive in a shifting economy. Many secure family-wage-paying jobs have been eliminated. Wage levels have stagnated for many low- and middle-income men. This trend has forced many two-parent families to send mommy as well as daddy out to work, simply to help pay the mortgage.

This was the setting in which, in the early 1980s, a conservative social movement zeroed in on the AFDC program as one of its key symbolic targets. The conservative attack on welfare played into both the resentment of families in which wives were unwillingly drawn into the labor

market and the frustration of liberal women who sought to pursue careers. To the resentful, unwillingly working wives, the rhetoric went something like this: it is patently unfair for the government to pay poor single mothers a dole to have children when so many taxpaying families have to send their women out to work to make ends meet. If poor women choose to have children, they should work, just like the rest of us, to support them. The government should not be taking money from hard-working families to pay poor women to sit at home, watch TV, and have more babies.

To the women who were struggling, often unsuccessfully, to have both career and family, the rhetoric went something like this: We all know that work outside of the home is a good thing for everybody. It connects women to the wider society. It raises their self-esteem. It turns them into responsible citizens. It provides a dynamite role model for their children. No matter how hard it may seem to get out there and work at the same time you are trying to raise children, every woman can, and should, be expected to do it. The transition may be difficult, but the payoff will be enormous, both for the women who are nudged out of dependency and for the fabric of the nation.

The symbolic appeal of welfare reform was so compelling that there were almost no serious efforts, among any of welfare reform's proponents, to think through the post-family-wage care-gap question for low-income single mothers, or indeed for the wider society, in any realistic way.

As we saw above, when elite women in two-parent households decided to go to work for long hours to break the glass ceiling, they would find it almost impossible to solve their care problem, both because of the astronomical costs of living-wage-level care services and because of those interstitial care needs that cannot be easily bought and sold. The "arithmetic," to use Mona Harrington's term (1999), just would not work out. How, then, could the lowest-income single-parent families be expected to solve their care problem?

The only response to this dilemma from welfare reform's proponents was to pay lip service to child care and earned income tax credits and then to be silent. Clearly, a good deal of magical thinking was going on, especially among welfare reform's liberal proponents, when the federal welfare reform law, complete with stringent work requirements and a five-year drop-dead time limit for most recipients, was enacted.

Welfare as a threat to the nation's racial order

But widespread societal frustration about the demise of the family wage care deal was not the only anxiety that was driving welfare reform. A second, and even more potent, well-spring of social anxiety converged with this gender trouble to give the welfare reform movement an obsessional sense of urgency.

Between the New Deal and the 1970s, the civil rights movement gradually opened up the AFDC system to racial and ethnic minorities, most notably African Americans. This racial integration posed a major

shock to the AFDC system because it extended an open-ended, cash entitlement into African American social networks, thereby destabilizing segregated local labor markets.

The biggest shock waves came in the deep South, where access to welfare gave African Americans an alternative to working for very low wages in harsh conditions, both on the plantations and in white people's homes. In urban centers, access to AFDC enabled African American women, like Johnnie Tillmon to become more politically active, both in their workplaces, where AFDC worked like a union strike fund for women who risked getting fired for organizing on the job, and against the welfare system itself, as the realities of AFDC taught them a bitter lesson about a basic flaw in the American version of democracy.

At the same time, wide access by African American women to the AFDC entitlement made the distinctive family practices among low-income African Americans, shaped as an adaptive response to slavery and its aftermath, uncomfortably visible to white elites. These family practices entailed young women giving birth in households that included older women. This arrangement assured that children were born before their mothers' health had been eroded by the stresses of poverty and before their grandmothers were too old to help with their care. These practices also included geographically dispersed intimate partnerships, shaped by a racially segregated national labor market, which compelled African American men to move about for work while women took domestic care jobs that allowed them to maintain a homeplace for the family.

The central roles for women in these extended, geographically dispersed families clashed sharply with the notion of wife as husband's helpmate that the family wage norm presumed. AFDC had been designed to buttress domesticity. Yet once its color bar was broken, AFDC became, Pandora-like, a threat to the entire race-gender order. Beginning in the 1960s, the "black family" became a code word among whites for the anxieties they felt about both the rebellion against Jim Crow and the demise of the family wage. Politicians began to look for ways to limit the AFDC entitlement by imposing new work requirements and snarling the program in new red-tape rules.

By the early 1980s, a cultural narrative that blamed welfare, point-blank, for provoking black women's sexual promiscuity and promoting their dependency was crafted in conservative think tanks (Murray 1995). This story was then masterfully interwoven with the magical belief that compelling poor single mothers to work full-time for wages would somehow close the care gap that had come with the erosion of the family wage.

A CARE GAP EMERGES

Even before the federal welfare reform bill became law, data confirming the inescapable realities of poor single mothers' work/care economies began to emerge. Kathryn Edin and Laura Lein's (1997) work showed that low-income single mothers in

several U.S. cities were simply unable to earn enough income in the nation's low-wage labor markets to make ends meet. If they tried to increase their hours, they were caught in a catch-22 situation. The longest of days has just 24 hours, and the more of those hours you work, the more you have to pay for child care.

Recently conducted cost-of-living studies document the income levels that would be required to meet basic living expenses, including housing, child care, food, transportation, health care, and the like. In Boston, for instance, a three-person household composed of an adult, a preschooler, and a school-age child would require a budget of $3,263 a month to meet basic expenses. That translates into a full-time wage level of $17.47 per hour. The highest single budget item, of $985 per month, would be for child care (Bacon, Russell, and Pearce 2000). To make ends meet with very low wages, one has to work very long hours. But long hours on the job only increase the gap between income and expenses because of the increased need for care. A care gap that is merely intractable for middle-class and elite working women becomes an insane vicious circle for the poor.

A REALISTIC POLICY RESPONSE

As a start, a realistic, work-based safety net for low-income working families, particularly those headed by single mothers, would have to assure that high-quality, affordable, developmentally sound care is readily available for children, elders, and other household members in need of care, for all of the hours that the parents are at work. This in itself creates several big challenges for social policy.

The first challenge involves the timing of care. Routine and interstitial care would have to be available. Thus, care would have to be available for irregular needs, like doctor appointments and school assemblies, as well as the parents' regular work hours. And wraparound, or odd-hours, care would have to be available to accommodate to the wraparound work schedules that are common in low-wage jobs (Dodson, Joshi, and McDonald 1998). Family and medical leave-type policies, in which the state requires employers to allow workers time off to deal with family and medical emergencies, are the most feasible for dealing with unpredictable care needs (Haymann 2000).

The challenge here is to link those mandates to policies for promoting the kinds of postbureaucratic innovation in the organization of work itself, at the shop-floor level, that will make such flexibility in work scheduling seem less of a threat to employers' economic interests (Schultz 2000). A post-Fordist, high-road approach to the organization of work at the firm level will also be a lynchpin of policies for accommodating the varying needs of low-wage workers themselves, not just for personal leave time but for a work environment that affirms their capacities rather than aggravating their health risks.

With respect to care services for workers who work long or odd hours, the challenge is different. Close study of best practices for firm-based day care for second- and third-shift workers demonstrates how hard it is to make such programs work well for children. It simply is not developmentally optimal for a 3-year-old to be roused from sleep every night to be taken to a day care center so his mother can report for her third-shift job. So, once again, the policy challenge here is more on the side of work organization and community care networks. Is this an industry that could move away from a 24-hour model of production? If not, are there innovations at the community level that could ensure odd-hours child care for the parents who need it—innovations such as cooperative, service-enhanced congregate housing for single parents—that governmental housing and community policies could more consciously promote? Could subsidies for kith-and-kin care be targeted to parents with these odd-hours care needs and enhanced by features that ensure that kin caregivers will be well paid, well trained, and well connected to community supports and that ensure funding for the removal of obvious health hazards like lead paint from the homes in which this care takes place?

The second challenge involves making care affordable to low-income families. Here, the consensus of economists who have looked at the issue closely is that, at the very least, the state must step in to correct what are patent failures in care markets, at least for low-income families (Vandell and Wolfe 2000). Because the market failures are multiple and complex, it is unlikely that they can be corrected by a single form of state intervention. A whole range of state policies will have to be coordinated to achieve a good care system. Public education will have to be extended to include services for children from ages 0 to 6 and to expand services into after-school hours and school vacations. The money that is available to families to spend for fee-based care will have to be increased substantially, through vouchers, tax credits, or mandates on employers, from unions or the state itself, to pay wages that are high enough to cover the costs of care.

Even with substantial demand-side subsidies, the most expensive components of care, that is, the costs of paying professional-level care workers the kinds of salaries that will both attract and hold them in these jobs and the costs of constructing and maintaining good care sites, will have to be supported by additional supply-side subsidies, such as state-subsidized loan pools for capital expenses and caregivers' educational expenses.

The third challenge is that the quality of care will have to be assured through creative forms of state action. This action must move beyond rigid command-control regulation to regulatory innovations that generate both the funding and the know-how to provide good-enough care for all children. Beyond that, however, state action in the area of quality assurance will be most successful if it creates the networks and structures for parent and peer monitoring and for encouraging providers to innovate outside-the-box improvements in their own practices and to design techniques for benchmarking, document-

ing, and disseminating their success (Morgan 1995).

As should be apparent from this brief outline, the kinds of state action that are called for to entitle low-income working parents to adequate day care look very different than the old notion of entitlement as a legally enforceable claim, by an eligible citizen, to a lump-sum of cash. To take the challenge of a work-based safety net seriously, then, we need to begin thinking of entitlements as legally enforceable commitments to the creation of public goods. Rather than a single law that guarantees day care for all, such commitments would be set forth through webs of interrelated constitutional standards, federal and state statutes and regulations, local ordinances, judicial precedents, and the like, dispersed across all levels of government. These laws would use the full range of policy instruments to intervene simultaneously in all of the societal domains that are relevant to the issue. It is only through this conception of entitlement that the law can begin to guarantee that the real programs and services that are called for to enable low-income women to work have a good chance to emerge.

Shaping this kind of entitlement framework takes a new, much more pragmatic, institutionally grounded kind of policy design work than the old, rigidly rights-based notion calls for. In many circumstances, this will mean preserving and enhancing the cultural norms, social institutions, and legal frameworks that are already out there, rather than bulldozing them away like a 1950s-era urban planner. For instance, in the case of child care, this might mean mapping out the ways that low-income families in a particular neighborhood are already weaving together care for their children through a combination of kin, neighbors, paid babysitters, and church- or community-based care sites. On the basis of this picture, changes could be written into existing federal and state day care block grant laws to permit quality improvement funds to be used to enhance social support, training, and resource sharing among such networks of providers.

One of the big challenges in this approach to entitlement is to ensure that the law affords family and neighborhood-based groups clear, legally enforceable rights to participate in the shaping, monitoring, and evaluation of all relevant policies through processes that identify benchmarks for evaluating progress toward clear goals. Another challenge is to ensure that individual citizens have an enforceable right to defend themselves against legal obligations, like workfare or welfare time limits, that are premised on the assumption that the public goods in question, like good child care, are already available.

We are obviously quite far from that goal in the case of child care (White 1999). We are also quite far from that goal in the other two bedrock features of a real work-based safety net—the assurance of adequate wage levels in low-income jobs and the assurance of workplace environments that will accommodate the realistic needs of low-income women. As the case of child care illustrates, getting from here to there is not just a

question of mustering up the political will to fund the deep subsidies that a good care system will require.

It is not that simple. To ensure both productive work and good care for all who need it, citizens will have to be engaged to seek structural innovations in the family, community institutions, and the workplace and to evaluate and improve on those changes. How much can or should workplaces change their production processes to enable workers to spend more time away from the workplace in order to give direct care to family or community members? When does it make sense for firms to provide onsite care? How can the jobs of paid caregivers be brought into the mainstream of real, formal sector work without imposing the rigidities of a Fordist work culture? How should families change to distribute the care they provide more equitably between men and women? How should communities change to provide social support for isolated at-home caretakers and to handle care needs when families and regular care providers are not available?

Processes for answering these questions must tap into the personal commitments of citizens while engaging their creativity and public-oriented interests. These processes must bridge different social domains, encouraging dialogue between peoples with different histories, economic priorities, and cultural values. The law should both structure and resource these processes of democratic engagement. At the same time, these processes should shape and reshape the law in ways that can gradually move us beyond the care gap that was left in the wake of the family wage.

CONCLUSION: A GROUND OF INCOME SECURITY

When we are at so early a stage in this transition, it does not make good policy sense to require low-income women to work for long hours in the hope that they can somehow close the care gap on their own. A more sensible approach to moving toward a work-based safety net would encourage work outside the home by creating the care resources that will make it more feasible. At the same time policies would be devised to enable low-income parents to participate more actively in the care of their own children and to link home-based caretakers, whether they are family members or paid workers, to social connection and fiscal support.

An income support policy consistent with this approach would ensure every family a modest, means-tested basic income that is large enough to permit them to care for their own dependents. Other laws and policies should encourage them to try public sector work and socially networked parenting to the degree that those options are feasible in their own lives (Ackerman and Alstott 1999). Such a policy would place the responsibility for closing the care gap on the institutions with the power to make it happen—legislatures, employers, community groups, faith-based organizations—rather than on impoverished single mothers.

This is the sort of approach to welfare policy that Johnnie Tillmon was calling for when she spoke so pas-

sionately against American welfare policies that show no respect for the real commitments and real constraints of low-income women's lives.

References

Ackerman, Bruce and Alstott. 1999. *The Stakeholder Society*. New Haven, CT: Yale University Press.

Bacon, Jean, Laura Russell, and Diana Pearce. 2000. The Self-Sufficiency Standard: Where Massachusetts Families Stand. Report prepared by the Women's Educational and Industrial Union in collaboration with Wider Opportunities for Women, Boston, MA.

Bassuk, Ellen, J. C. Buckner, J. N. Perloff, and S. S. Bassuk. 1998. Prevalence of Mental Health and Substance Abuse Disorders Among Homeless and Low-Income Housed Mothers. *American Journal of Psychiatry* 155(11):1561-64.

Collins, Patricia Hill. 2000. *Black Feminist Thought: Knowledge, Consciousness, and the Politics of Empowerment*. New York: Routledge.

Davis, Martha. 1993. *Brutal Need*. New Haven, CT: Yale University Press.

Dodson, Lisa. 1998. *Don't Call Us Out of Name: The Untold Lives of Women and Girls in Poor America*. Boston: Beacon Press.

———. 2000. The Hidden Work of Children. *Radcliffe Quarterly* (Fall):20-21.

Dodson, Lisa, Pamela Joshi, and Davida McDonald. 1998. Welfare in Transition: Consequences for Women, Families, and Communities. Report prepared by the Radcliffe Public Policy Institute, Cambridge, MA.

Edin, Kathryn and Laura Lein. 1997. *Making Ends Meet: How Single Mothers Survive Welfare and Low-Wage Work*. New York: Russell Sage Foundation.

Fraser, Nancy. 1997. *Justice Interruptus: Critical Reflections on the "Post-socialist" Condition*. New York: Routledge.

Harrington, Mona. 1999. *Care and Equality: Inventing a New Family Politics*. New York: Knopf.

Heymann, Jody. 2000. *The Widening Gap: Why America's Working Families Are in Jeopardy and What Can Be Done About It*. New York: Basic Books.

hooks, bell. 1994. *Feminist Theory: From Margin to Center*. Boston: South End Press.

Jones, Jacquelyn. 1995. *Labor of Love, Labor of Sorrow: Black Women, Work and the Family from Slavery to Freedom*. New York: Vintage.

Morgan, Gwen. 1995. *New Approaches to Regulation*. Boston: Wheelock College, Center for Career Development in Early Care and Education.

Murray, Charles. 1995. *Losing Ground: American Social Policy 1950-1980*. New York: Basic Books.

Quadagno, Jill. 1994. *The Color of Welfare*. New York: Oxford University Press.

Schultz, Vicki. 2000. Life's Work. *Columbia Law Review* 100(7):1881-964.

Vandell, Deborah Lowe and Barbara Wolfe. 2000. Child Care Quality: Does It Matter and Does It Need to Be Improved? Special report no. 78 of the Institute for Research on Poverty, Madison, WI.

Weissbourd, Richard. 1997. *The Vulnerable Child: The Hidden Epidemic of Neglected and Troubled Children Even Within the Middle Class*. New York: Perseus Press.

West, Guida. 1981. *The National Welfare Rights Movement: The Social Protest of Poor Women*. New York: Praeger.

White, Lucie. 1999. Despair, Impasse, Improvisation. In *Hard Labor: Women and Work in the Post-Welfare Era*, ed. Joel Handler and Lucie White. Armonk, NY: M. E. Sharpe.

——— 2000. "That's What I Crowed Up Hearing": Race, Social Provision, and the Redemption of American Democracy. In *Who Provides*, ed. Brent Coffin, Mary Jo Bane, and Ronald Thiemann. Boulder, CO: Westview Press.

Williams, Joan. 2000. *Unbending Gender: Why Family and Work Conflict and What to Do About It*. New York: Oxford University Press.

APPENDIX C -- WRITTEN STATEMENT OF DR. RON HASKINS, SENIOR FELLOW, THE BROOKINGS INSTITUTE, WASHINGTON, DC

Testimony of Ron Haskins

Senior Fellow, Brookings Institution, Washington DC

Senior Consultant, Annie E. Casey Foundation, Baltimore

Before the Subcommittee on 21st Century Competitiveness

Committee on Education and the Workforce

U.S. House of Representatives

September 20, 2001

Chairman McKeon, Ranking Member Mink, and Other Members of the Committee

My name is Ron Haskins. I am a Senior Fellow at the Brookings Institution in Washington, DC and a Senior Consultant at the Annie E. Casey Foundation in Baltimore. As a staff member with the Committee on Ways and Means, I had the great privilege of working on the seminal welfare reform law of 1996, often in collaboration with the distinguished members and staff of this Committee. Thus, I am especially honored to be invited to discuss the reforms and their effects with this illustrious Committee.

In 1996, Congress and President Clinton made the most fundamental reforms in American social policy since President Johnson's War on Poverty in 1965, and arguably since President Roosevelt's New Deal in 1935. As the October 1, 2002 deadline for reauthorizing the 1996 welfare reform legislation approaches, it is an appropriate time to carefully examine the reforms and their effects, as well as to consider steps Congress should take when the legislation is reauthorized next year.

Background and Brief History of Welfare Programs

In 1995, on the eve of the great national debate that led to the welfare reform law of 1996, the heart of the federal welfare state for the poor comprised three entitlement

programs: Aid to Families with Dependent Children (AFDC), food stamps, and Medicaid. In the average state, these three programs guaranteed that a poor single mother with two children would receive entitlement benefits worth about $12,000 annually, $8,000 in cash and food stamps. In addition to these major welfare entitlement programs, the nation's federal and state governments offered more than 300 means-tested programs which provided benefits to individuals or families with incomes below a given level. In 1995, federal and state spending on entitlement and non-entitlement programs amounted to roughly $370 billion, up dramatically from about $40 billion in 1965. Thus, a welfare state for poor Americans was erected and continued to expand in the 60 years between 1935, when the Social Security Act established the AFDC program, and 1995, when the debate that led to the 1996 reforms began.

The expansion of entitlement welfare and the huge increases in spending after 1965 were by no means inevitable. In fact, in his 1935 message to Congress about the Social Security Act, President Roosevelt warned that welfare could become a "narcotic" and that it could induce a "moral and spiritual despair." He pledged that the nation would eventually "quit this business" of welfare. Moreover, Roosevelt's New Deal placed a much greater emphasis on work than on welfare. Similarly, President Johnson called his War on Poverty a "hand up, not a hand out." Johnson created Head Start to help poor children succeed in school so they could follow the traditional American route to good jobs. The War on Poverty also included the Job Corps, one of the few programs that has been shown to actually increase employment. And the idea behind "community action" (as opposed to the disaster that followed) was to help the poor make decisions for themselves).

Despite these attempts to build personal responsibility and self reliance into American welfare programs, welfare dependency and illegitimacy grew rapidly in the years leading up to the 1995-96 debate. Largely because of the growth of dependency and illegitimacy, by the 1980s a powerful critique of welfare programs began to take shape. The two major tenets of the critique were that welfare inevitably reduced work while increasing dependency and that it contributed substantially to rising rates of births outside marriage.

Before the 1980s liberals and conservatives had often argued over whether recipients primarily used welfare as an emergency measure to help their families, or whether a significant number of them had fallen victim to its "narcotic" effect. But during the 1980s, several groundbreaking empirical studies, notably research by Harvard scholars Mary Jo Bane and David Ellwood, demonstrated that up to 65 percent of the families on AFDC at any given moment would eventually be on the rolls eight years or more (counting repeat spells). Subsequent work by one of Ellwood's graduate students showed that, on average, families remained on the welfare rolls between 7 and 11 years (counting repeat spells). Seldom had a major welfare question received such a straightforward answer: welfare dependency had become a serious problem.

But if welfare dependency was the problem, what was its solution? In 1986, Larry Mead, a professor at New York University, offered a compelling answer in his book, *Beyond Entitlement*. Mead's basic case was that welfare benefits discourage work and encourage dependency, the classical conservative critique of welfare since at least the days of Elizabethan England. But Mead showed that welfare need not inevitably lead to dependency or undercut recipients' work ethic, as the classical critique suggested. Rather, he argued, by instituting programs which demanded that recipients work in exchange for benefits, and which were tightly administered at the local level, society

could both provide for its poor and steer them toward a productive life. The upshot of Mead's theoretical work and research was that the antidote to chronic welfare dependency rested on government's authority to require work in exchange for welfare benefits, a strategy Mead examined more extensively in a later volume, *The New Politics of Poverty*.

In 1984, Charles Murray, in his controversial book *Losing Ground*, highlighted the second element of the developing welfare critique. Murray's major concern was that welfare awarded benefits to never-married mothers, in effect rewarding and encouraging illegitimacy and promiscuity. Whatever the cause, the dramatic increase in government spending on welfare programs after about 1965 was accompanied by an explosion of births outside marriage. By 1995, nearly one-third of all American children and 70 percent of black children were born to single mothers. Famously, Murray argued that the only way to stop these inevitable though unintended collateral impacts of welfare was to completely abandon welfare benefits, forcing young people to make better choices about sexual activity, pregnancy, marriage, and work.

In the midst of this growing criticism a new and surprising force for reform entered the debate. The Democratic candidate for President in 1992, Governor Bill Clinton of Arkansas, claimed the title of "New Democrat" and broke ranks with his party by taking relatively conservative stands on many key issues such as free trade and crime. But most importantly, he was consistently to the right of his opponent, incumbent President George Bush, on welfare reform. In fact, welfare reform became one of the central issues of the Clinton campaign. Clinton's slogans, "two years and out" and "end welfare as we know it," struck a popular, conservative note and greatly contributed to his victory.

But having promised to "end welfare as we know it," once elected President Clinton failed to move aggressively on reform welfare. Instead, he devoted his attention and the political resources of his administration to health care reform. Not until the end of his second year in office – too late for Congressional action – did Clinton introduce a welfare reform bill. This delay presented Republicans with an opening to write their own welfare reform bill and to be prepared to carry the debate to Clinton when the new Congress opened in 1995.

Major Provisions of the 1996 Welfare Reform Law

From the beginning, the 1995-96 welfare reform debate was different than previous Congressional welfare debates. Whereas the debates of the 1960s, 1970s, and 1980s had almost always revolved around the attempt to find a balance between how much to increase welfare and how much to encourage work, the debate initiated by Clinton focused on increasing work rather than increasing benefits. An even bigger difference between the 1995-96 debate and previous debates was that, thanks to the 1994 Congressional elections, Republicans controlled both Houses of Congress. Equally important, senior House Republicans – including several members of this committee – had been studying welfare reform and drafting bills for more than five years by the time they assumed control of the House in 1995. Not only did they have clear ideas about welfare reform, they had a bill that enjoyed almost universal support among House Republicans, due in large part to the work of Republicans on the Ways and Means and Education Committees, especially Reps. E. Clay Shaw of Florida and Jim Talent of Missouri.

If Clinton had opened the welfare reform debate with his campaign sloganeering, by 1995 Republicans were well prepared to help him make good on his promises. The bill

Clinton finally submitted near the end of the 1993-94 Congressional session contained the most aggressive work requirements ever endorsed by an American President, Republican or Democrat. Clinton wanted work participation standards, sanctions against those who refused to work, additional money to go to states for work programs – and only marginal benefit increases. The bill also included a kind of time limit on welfare, although when welfare recipients reached the time limit, government guaranteed them a job. Republicans, however, who would likely have supported Clinton's bill in 1993 and 1994, were by 1995 well beyond the Clinton definition of "ending welfare as we know it." The bill Republicans introduced in January of 1995 (H.R.4) was big and complex, and far to the right of Clinton's in three important ways.

First, whereas Clinton wanted to reform just the AFDC and child support enforcement programs, the Republican bill sought to reform child care, welfare for non-citizens, programs for abused and neglected children, children's Supplemental Security Income (SSI), SSI for drug addicts and alcoholics, child nutrition, and food stamps as well. For many of these programs, the proposed reforms were very substantial.

Second, on the issue of work, the Republican approach was different than Clinton's in several fundamental respects. The Republican bill repealed the AFDC program – the first time a major welfare entitlement program had been repealed – and replaced it with a program that ended cash entitlements and gave states fixed sums of money in block grants rather than through open-ended funding. The Republican bill also required states to meet stiff work requirements or suffer financial penalties, required individuals to participate in state work programs or suffer immediate benefit reductions (including, in most states, the complete loss of cash benefits), and placed a five-year limit on the

duration of benefits for most individuals without a guaranteed job for recipients who reached the time limit.

The third way the Republican bill differed from Clinton's was in its ambitious and unprecedented measures against illegitimacy. Throughout the debate on the 1996 legislation and for many years before, Republicans had fought among themselves over legislative provisions on illegitimacy. Of course, to the same extent that nearly all Democrats and Republicans supported work for welfare, both parties also abhorred illegitimacy and its effects. But there were huge differences between Republicans and Democrats and even among Republicans over the number and extent of provisions attacking illegitimacy they were willing to include in the legislation. The final bill contained at least 15 provisions directly or indirectly aimed at reducing illegitimacy – far more provisions than Democrats and the Clinton Administration would have liked. The most important of these were: a cash bonus of up to $25 million per year for states that reduced their illegitimacy and abortion rates; $50 million per year for abstinence education; the TANF block grant itself which gave states the flexibility to implement policies like the "family cap" that kept cash benefits constant even if recipients had babies out of wedlock; and exceptionally strong paternity establishment requirements in the child support enforcement part of the legislation, aimed at making fathers of children born outside marriage pay for their support. Taken together, these provisions were by far the most forceful attack the federal government had ever mounted against illegitimacy.

In the end, after several rounds of compromises with Congressional Democrats, the Clinton Administration, and governors, the Republican welfare reform legislation passed Congress on an overwhelming bipartisan vote and was signed into law by a Democratic President.

What Welfare Reform Accomplished

The 1996 reforms gave a much-needed shock to the federal welfare system. President Clinton had said he wanted to "end welfare as we know it;" Congress helped him end the old AFDC program. But in the process, Congress also reformed a host of other welfare programs. The theme that runs through most of these reforms is individual responsibility. Drug-addicts and alcoholics can no longer rely on government benefits to fund their addictions; families of children with minor health or mental health problems no longer receive monthly disability cash payments; non-citizens who come to America for opportunity no longer collect welfare benefits except in emergencies; fathers who abandon their children now find it very difficult to avoid paying child support; young adults – both males and females – have a host of incentives to avoid pregnancy outside marriage.

And, notably, there are now about 2 million mothers working who previously would have been on welfare. It would appear the TANF program has met its central goal of promoting work and personal responsibility. But more specifically, the 1996 reforms have been followed by a major decline in the welfare caseload, big increases in employment and earnings of single mothers, substantial increases in total income of families headed by mothers, and the biggest declines in child poverty since the 1960s (Figures 1 and 2). These effects are deep and significant: the nation has enjoyed the first sustained decline in welfare rolls in history, single mothers are now more likely to work than at any time in the past, the earnings of female-headed families are at an all-time high, child poverty is at its lowest level since 1979, black child poverty is the lowest ever, and poverty among female-headed families is the lowest ever.

The most straightforward interpretation of these effects is that they were caused by the confluence of three major factors: welfare reform, a robust economy, and a federal system of programs that support work. The level of work by former welfare mothers has astounded almost everyone. Of course, by generating lots of new jobs, a hot economy has been of great importance to the explosion of work among mothers previously dependent on welfare. Another major factor in promoting both work and the well-being of families holding low-wage jobs is the federal work support system that provides benefits to working families. The work support system is a series of federal programs that provide cash and in-kind benefits to working families. The major work support programs are child care, Medicaid, the State Children's Health Insurance Program (SCHIP), food stamps, the child tax credit, the Earned Income Tax Credit (EITC), and housing. This system provides around $80 billion in annual benefits to working families. Why has Congress created such a vast and expensive set of programs?

Such is the status of the nation's families and public education that there are always several million young mothers who have a high school education or less. Most of these young mothers face a difficult choice: go on welfare, become dependent on government, and live in a permanent state of poverty or enter the low-wage job market and earn around $7 per hour. The main effect of welfare reform has been to move more of these mothers away from welfare dependency and into low-wage jobs. Given that they work in jobs that are often somewhat unstable, we can estimate that the typical young mother who leaves welfare earns about $10,000 per year. If she did not receive work supports from government, she could not afford to purchase housing, transportation, food, and health insurance. In short, she would be worse off than she was on welfare.

But the work support system constructed in piecemeal fashion by the federal government since roughly 1975 ensures that mothers are much better off working than on welfare. Specifically, if a mother has two children, her $10,000 in earnings is supplemented by about $4,000 in EITC cash and $2,000 in food stamps, bringing her income to around $16,000. In addition, she and her children are guaranteed Medicaid for at least a year; after that the children would be guaranteed coverage under either Medicaid or SCHIP until the mother's earnings are over $30,000 (Figure 3).

Perhaps it would be unwise to charge the Congress with committing vision. But the growth of the work support system, combined with the now strong emphasis on work in the nation's welfare system, suggests that Congress decided that it was better to provide benefits to low-income families that work than to keep them dependent on welfare. If the employment, earnings, and poverty figures reviewed above are the gauge, the combination of strong work requirements in the nation's welfare programs and the generous system of work supports has produced what Congress and President Clinton wanted in 1996: more work and less welfare. And for good measure the new system of work and work supports also produces less poverty. These are results that both conservatives and liberals can like. So can the American public.

But what about the family agenda? Here the news is mostly good, too, although it is much harder to attribute the improvement directly to welfare reform. After several generations of unrelenting growth, all the measures of illegitimacy leveled off in the mid-1990s (Figure 4) and have remained stable for five years. In addition, the nonmarital birth rate measure for blacks is actually declining, and recent data show that the percentage of children in two-parent families, an explicit goal of the 1996 reforms, is increasing. Finally, the teen birth rate has declined every year since 1991.

The timing of these trends suggests that factors other than or in addition to welfare reform are contributing causes. There is also a lack of evidence from scientific studies showing that specific provisions in welfare reform are associated with declines in nonmarital births. Even so, the fact that most of these hopeful trends in family composition occurred during the welfare reform era suggests that welfare policy may be playing some role.

After five years, it is reasonable to call the welfare reform law of 1996 the most successful large scale social reform since the New Deal. Welfare is down and work is up; earnings are up and poverty is down; illegitimacy has stopped its relentless increase; and slightly more children now live in two-parent families. And a major reason for these felicitous outcomes appears to be that Congress and President Clinton decided to scrap the old dependency-inducing welfare system in favor of a system based on work in exchange for public support. But what's next?

Recommendations for TANF Reauthorization

Retain the Major Features of the TANF Program. Given the level of success associated with the 1996 reforms, the case for major changes of any type is suspect. In fact, it seems wise to begin the debate with the assumption that Congress and President Clinton enacted wise legislation in 1996 that is producing its intended effects. The burden of proof should lie with anyone who thinks there should be major changes. This reasoning applies with particular force to the essential elements of the TANF program: end of entitlement, block grant, work definition, work requirements, sanctions, and five-year time limit.

This reasoning also applies to the $16.5 billion funding level of the TANF block grant. Given the decline of the welfare rolls, some members of Congress will propose to

reduce the amount of the block grant because fewer people are now on welfare. But this reasoning ignores several important points. Congress required states to establish work programs for their welfare clients. States have now done exactly what Congress required, and are therefore conducting both welfare programs and work programs. However, new people are applying for welfare every day and many young mothers who leave welfare for work lose their jobs and come back on the welfare rolls. Thus, if states do not maintain their work programs, the welfare rolls will quickly grow again. In addition, states are now funding a host of programs designed to achieve the goals Congress set for TANF, including job retention, job advancement, special help for mothers with high barriers to employment, and programs addressing illegitimacy and marriage promotion. If Congress cuts the TANF block grant, these activities will also need to be cut.

Even more to the point, block grants are the best mechanism Congress has developed to ensure that programs are designed and operated by people who live outside Washington – by people who are closest to the problems the programs address. Given the success of TANF and the child care block grant, Congress should consider enacting additional block grants to further decentralize the planning and operation of social programs and to reduce the size of the federal government. But if Congress cuts TANF, the possibility of enacting block grants in the future will be greatly diminished. Even governors can be expected to lobby against block grants on the grounds that if they are successful, Congress will cut the funding.

Improve the Effectiveness of TANF. As successful as welfare reform has been, there are several actions that could be taken to improve the effectiveness of the 1996 reforms. One area that needs greater attention is the policy on illegitimacy. Although illegitimacy has leveled off – and even declined in the cases of teenagers and black women – few

states have mounted major new efforts in this area. There is good reason to doubt that the bonus enacted in 1996 for states that reduce their illegitimacy and abortion rates are operating effectively. In fact, there is no discernable reason why some states win the bonus and other don't; states that win do not seem to have operated special programs of any type. Thus, it might make sense for Congress to use the bonus to promote more programmatic activity, rewarding states that can show high levels of activity aimed at reducing illegitimacy rather than states that, for uncertain reasons, experience declines in their illegitimacy rate.

Another problem with the 1996 reforms is that many families leaving welfare for work are failing to receive the food stamps and Medicaid for which they qualify. A recent study of food stamp enrollment among a national sample of families that left welfare, for example, showed that only about 40 percent of eligible families were receiving food stamps. Similar evidence shows that many qualified families are not receiving Medicaid. These outcomes are not particularly surprising because the state administrative systems that handled AFDC, food stamp, and Medicaid eligibility under the pre-1996 law were based on a single application process and a relatively stable caseload. Now many more families are entirely diverted from TANF and don't even get into the TANF administrative system. In addition, many more families now work and move off the welfare system altogether. Once they leave, they are difficult to track. To a substantial degree, then, states need to develop better administrative procedures to ensure that working families know they are eligible for food stamps and Medicaid and that they can maintain their eligibility without jumping through bureaucratic hoops. In the case of food stamps, there are also problems with the federal quality control system that reduce the motivation of states to ensure that working families retain their food stamp benefits.

Two final work-related problems that should be addressed by Congress during reauthorization is the plight of floundering families that have found it difficult to either work or maintain their eligibility for welfare as well as families that are working but are having difficulty advancing to better jobs. By making matching funds available, and by demanding careful evaluation studies, the federal government should encourage states to conduct demonstration programs to see if more effective means of helping these families can be developed.

Encourage Marriage Promotion. A third policy area that should be addressed by Congress during reauthorization is marriage. The 1996 reforms were clear in setting family formation goals as a central mission of welfare reform. Of the four goals stated in the opening section of the legislation, three touch on family formation. Specifically, state TANF programs must aim to reduce illegitimate births, increase marriage, and increase the number of children living in two-parent families. There is almost universal agreement among scholars that children born outside marriage are at great risk for developmental problems and that marriage is good for both adults and children. The argument on family formation is not whether there is a serious problem; the argument is whether there is a proper and effective role for government in finding solutions.

The 1996 reforms launched the most sweeping attack ever on nonmarital births. Thankfully, as we have seen, nonmarital births have leveled off and even, at least for teenagers and blacks, started to decline. Whether this hopeful trend is due to welfare reform itself is not clear. What does seem clear is that states have not taken strong action to reduce nonmarital births and have taken even fewer actions to promote marriage. Though promoting marriage is a noble goal, so far there have been good reasons for inaction on the state level. It is not clear from either research or experience exactly what

policies states might adopt to promote marriage. In addition, there is little consensus among policymakers or administrators at the state and local level that welfare programs should try to promote marriage. Even so, many states are beginning to take small steps toward marriage promotion and should be rewarded. The goal of Congress during reauthorization should be to encourage states to expand these activities by designing and implementing innovative programs to promote marriage. The TANF Performance Bonus, which provides $200 million per year in bonus payments to states that have achieved TANF goals, should be modified to provide cash rewards to states that initiate programs aimed at increasing marriage.

In addition, the reauthorization debate should be used to further reduce the marriage penalty in the EITC and to find ways to encourage states to end all forms of discrimination in their spending and tax programs against married couples.

Faith-Based Initiatives. Finally, Congress should work with the Bush Administration to advance faith-based initiatives. As with both the work and family formation agendas, the 1996 reforms blazed a third path of American social policy. The Charitable Choice provision for the first time placed religious organizations on a level playing field with government and private sector organizations in conducting social programs paid for with public funds. Under the terms of Charitable Choice, religious organizations can retain their religious character, including the practice of hiring people only of the own religion, and still receive government funds. The goals of federal policy should now be to expand the Charitable Choice provision to cover other federal programs, to encourage more churches and other faith-based organizations to participate, and to conduct evaluations to determine whether faith-based programs provide effective services.

To encourage states to expand their faith-based initiatives, Congress should require every state to list, as part of its state plan, the activities it intends to conduct to involve private-sector, including faith-based, organizations in its social service programs. The details of the reporting should include an overview of outreach activities, a description of the types of services states hope private and faith-based organization would conduct, and information about plans to evaluate these services. In keeping with the devolved nature of the TANF block grant, states should not be required to actually conduct any of these activities, only to report on activities they are conducting or intend to conduct.

Much of the action in promoting the involvement of faith-based and other community-based organizations in fighting dependency and poverty must be pursued by administrative agencies and the President's use of the bully pulpit. The major task now is to encourage faith-based organizations to step to the plate and take advantage of the Charitable Choice provision.

Conclusion

After five years of aggressive implementation of welfare reform by states and localities, it is clear that the hopes of its supporters have been vindicated and the fears of its critics stilled. Assisted by an excellent economy, welfare reform has been accompanied by the biggest decline ever in the welfare rolls, the largest increases in employment by mothers on record, and the biggest declines in child poverty since the 1960s. In addition, after decades of relentless increases, the rates of teen pregnancy and the ratio of nonmarital births have declined or leveled off. Moreover, child abuse and neglect, homelessness, and hunger have not increased substantially during this period. To be sure, there are rough edges that should be addressed by Congress during the reauthorization debate. Some families are falling between the cracks, there is little

evidence that women leaving welfare are climbing the ladder to better jobs, and too many mothers and children are leaving welfare but not retaining the food stamp and Medicaid benefits for which they are eligible. Nor have states and localities launched extensive programs to reduce nonmarital births and increase marriage. In the long run, the most important lesson for public policy from these results is that the combination of a demanding welfare system and a generous work support system is a more effective approach to fighting welfare dependency and poverty than an approach that relies primarily on welfare. There is every reason to believe that if Congress holds steady on the current course, while making some modest midcourse corrections during the 2002 reauthorization debate, the nation will continue to make remarkable progress against welfare dependency and poverty.

References

Acs, Gregory, and Sandi Nelson. 2001. *"Honey I'm Home." Changes in Living Arrangements in the Late 1990s*. Washington, DC: Urban Institute.

American Public Human Services Association. 2001. *State Efforts to Promote Marriage, Family Formation and Prevent Family Disintegration*. Washington, DC: Author.

Bane, Mary Jo, and David Ellwood. 1986. "Slipping Into and Out of Poverty: The Dynamics of Spells." *Journal of Human Resources, 21*(1): 1-23.

Bavier, Richard. 2001. *Recent Increases in the Share of Young Children Living with Married Mothers*. Washington, DC: Office of Management and Budget.

Blank, Rebecca M., and Ron Haskins, editors. 2001. *The New World of Welfare*. Washington, DC: Brookings.

Dupree, Allen, and Wendell Primus. 2001. *Declining Share of Children Lived with Single Mothers in the late 1990s*. Washington, DC: Center on Budget and Policy Priorities.

Gais, Thomas L., and others. 2001. "The Implementation of the Personal Responsibility Act of 1996: Commonalities, Variations, and the Challenge of Complexity." In *The New World of Welfare*, edited by Rebecca M. Blank and Ron Haskins. Washington, DC: Brookings.

Greenstein, Robert, and Jocelyn Guyer. 2001. "Supporting Work Through Medicaid and Food Stamps." In *The New World of Welfare*, edited by Rebecca M. Blank and Ron Haskins. Washington, DC: Brookings.

Haskins, Ron, Isabell Sawhill, and Kent Weaver. 2001. *Welfare Reform: An Overview of Effects to Date* (Policy Brief #1). Washington, DC: Brookings Institution, Welfare Reform and Beyond Project.

Horn, Wade, and Isabel V. Sawhill. 2001. "Making Room for Daddy: Fathers,

Marriage, and Welfare Reform." In *The New World of Welfare*, edited by Rebecca M. Blank and Ron Haskins. Washington, DC: Brookings.

McLanahan, Sara, and Gary Sandefur. 1994. *Growing Up with a Single Parent*. Cambridge, MA: Harvard Press.

Mead, Larry. 1986. *Beyond Entitlement: The Social Obligations of Citizenship*. Free Press.

Mead, Larry. 1992. *The New Politics of Poverty: The Nonworking Poor in America*. Basic Books.

Murray, Charles. 1984. *Losing Ground: American Social Policy, 1950-1980*. Basic Books.

Novak, Michael. 1987. *The New Consensus on the Family and Welfare*. Washington, DC: American Enterprise Institute.

Pavetti, LaDonna. 1993, November. *The Dynamics of Welfare and Work*. Washington, DC: Urban Institute.

Rector, Robert, and William F. Lauber. 1995. *America's Failed $5.4 Trillion War on Poverty*. Washington, DC: Heritage.

Roosevelt, Franklin D. 1935. *The Public Addresses of Franklin D. Roosevelt*. Random House.

Waite, Linda J., and Maggie Gallagher. 2000. *The Case for Marriage: Why Married People are Happier, Healthier, and Better Off Financially*. Doubleday

Zedlewski, Sheila. 2001. *Former Welfare Families Continue to Leave the Food Stamp Program*. Washington DC: Urban Institute.

Figure 1
Welfare Reform is Working

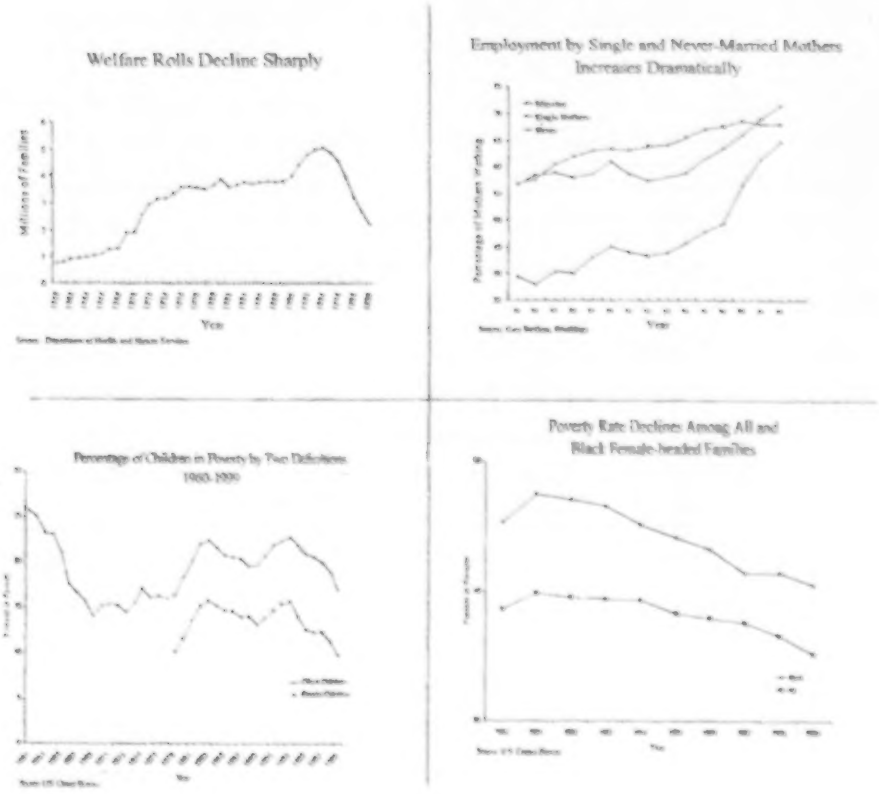
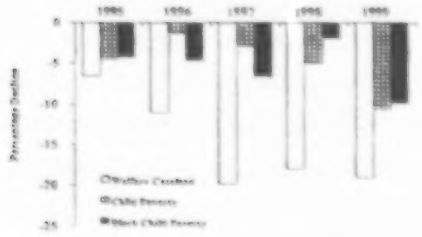
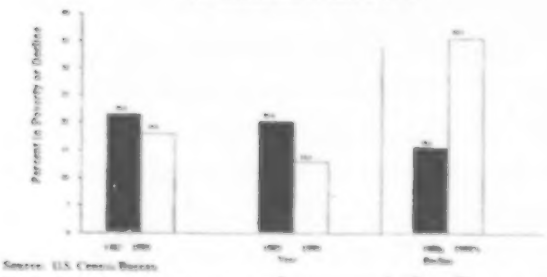

Welfare Rolls Decline Sharply
Millions of Families
Year
Employment by Single and Never-Married Mothers Increases Dramatically
Year
Percentage of Children in Poverty by Two Definitions, 1960-1999
Poverty Rate Declines Among All and Black Female-headed Families

Figure 2
Poverty is Declining

Welfare Caseloads and Children's Poverty Decline Simultaneously, 1995-1999



Decline in Children's Poverty by Broad Definition, 1983-89 and 1993-99



Percentage of Children in Deep Poverty, 1988-1999

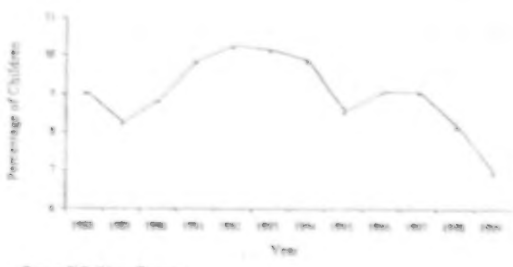
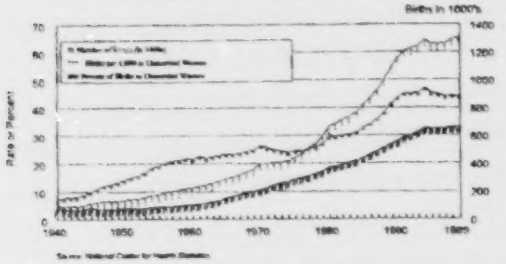


Figure 3
Federal Programs that Support Low-Income Working Families

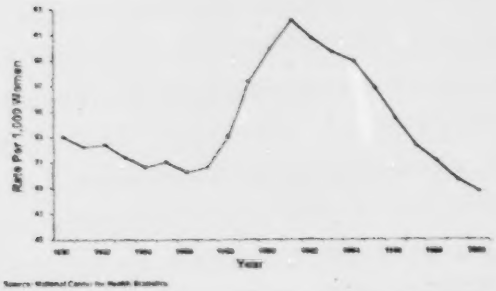
Program	Summary
Child Care	There are numerous child care programs that provide care to children while mothers work. These include the Child Care and Development Block grant, Head Start, Title XX, the Child and Adult Care Food program, and two tax credit programs. Between 1993 and 2001, the funds available through these programs grew from about $9.5 billion to $20 billion.
Medicaid	A federal-state health insurance program for poor and low-income families, most states provide coverage to children of working families up to about 200 percent of the poverty level (almost $29,000 for a family of three), although coverage for parents ends at much lower income levels
State Child Health Insurance Program (SCHIP)	The program offers federal matching funds for states and territories to provide health insurance coverage to uninsured, low-income children from families whose annual incomes are higher than Medicaid eligibility thresholds. By 2000 enrollment in the SCHIP program reached 3.3 million children
Food Stamps & Child Nutrition	Food Stamps is a federally-financed, state-administered program that provides low-income families with either coupons or an electronic debit card that can be used to purchase food; a mother earning around $10,000 qualifies for about $2,000 in food stamp benefits; other child nutrition programs include the school lunch program and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)
Earned Income Tax Credit	A refundable tax credit that provides a cash income supplement of up to $4,000 for working families with incomes of less than about $30,000; the maximum benefit for a mother with two children and earnings of about $10,000 is $4,000
Child Tax Credit	When fully implemented, families will receive a $1,000 credit per child against their federal income taxes. The credit will be refundable for families earning over $10,000 but with little or no tax liability
Housing	A series of programs that provide federal subsidies for rent or home purchase, or direct provision of housing in housing facilities owned by government

Figure 4
Measures of Non-Marital Births are Leveling Off or Declining

Number of Births, Birthrate, and Percent of Births to Unmarried Women: United States, 1940-99



Teen Birthrate, 1980-2000



Percent of Children Living with Two Natural, Step, or Adoptive Parents

Committee on Education and the Workforce

Witness Disclosure Requirement – "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name: Ron Haskins

1. Will you be representing a federal, State, or local government entity? (If the answer is yes please contact the Committee).	Yes	(No)
2. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1998: See Attached		
3. Will you be representing an entity other than a government entity?	(Yes)	No
4. Other than yourself, please list what entity or entities you will be representing: The Brookings Institution		
5. Please list any offices or elected positions held and/or briefly describe your representational capacity with each of the entities you listed in response to question 4: Senior Fellow and Co-Director of the Welfare Reform & Beyond Initiative		
6. Please list any federal grants or contracts (including subgrants or subcontracts) received by the entities you listed in response to question 4 since October 1, 1998, including the source and amount of each grant or contract: See Attached		
7. Are there parent organizations, subsidiaries, or partnerships to the entities you disclosed in response to question number 4 that you will not be representing? If so, please list: None	Yes	(No)

Signature: [signature] Date: 7/12/01

Please attach this sheet to your written testimony.

The Brookings Institution

Federal grants or contracts (including subgrants and subcontracts) received since October 1, 1999

September 19, 2001

Source	Grant or Contract Amount
Commerce	400,000
Congress	55,000
Dept of Defense	50,000
Dept of Health and Human Services	398,039
Dept of Justice	-
Dept of Transportation	160,000
Dept of Treasury	440,000
Environmental Protection Agency	410,000
National Academy of Sciences	115,000
National Intelligence Council	2,000
National Science Foundation	1,000,140
Social Security Administration	732,000
US AID	96,607
US Dept of State	87,500
TOTAL	3,946,286

C:\WINDOWS\TEMP\[Govt Grants Summary.xls]Source & Amount

APPENDIX D -- WRITTEN STATEMENT OF ROBERT RECTOR, SENIOR RESEARCH FELLOW, THE HERITAGE FOUNDATION, WASHINGTON, DC

The Heritage Foundation 214 Massachusetts Avenue, N.E. Washington, D.C. 20002-4999 (202) 546-4400

Congressional Testimony

THE GOOD NEWS ABOUT WELFARE REFORM

Hearing before
the Subcommittee on Competitiveness
Committee on Education and the Workforce

U.S. House of Representatives
September 20, 2001

Robert Rector
The Heritage Foundation
214 Massachusetts Ave. NE.
Washington D.C. 20002
202 546-4400

THE GOOD NEWS ABOUT WELFARE REFORM

ROBERT RECTOR

Five years ago last month, President Bill Clinton signed legislation overhauling part of the nation's welfare system. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104–193) replaced the failed social program known as Aid to Families with Dependent Children (AFDC) with a new program called Temporary Assistance to Needy Families (TANF). The reform legislation had three goals: 1) to reduce welfare dependence and increase employment; 2) to reduce child poverty; and 3) to reduce illegitimacy and strengthen marriage.

At the time of its enactment, liberal groups passionately denounced the welfare reform legislation, predicting that it would result in substantial increases in poverty, hunger, and other social ills. Contrary to these alarming forecasts, welfare reform has been effective in meeting each of its goals.

- Overall poverty, child poverty, and black child poverty have all dropped substantially. Although liberals predicted that welfare reform would push an additional 2.6 million persons into poverty, there are 4.2 million fewer people living in poverty today than there were in 1996, according to the most common Census Bureau figures.
- Some 2.3 million fewer children live in poverty today than in 1996.
- Decreases in poverty have been greatest among black children. In fact, today the poverty rate for black children is at the lowest point in U.S. history. There are 1.1 million fewer black children in poverty today than there were in the mid-1990s.
- Conventional figures exaggerate the poverty rate. The poverty rate is even lower when the Earned Income Tax Credit (EITC) and non-cash welfare benefits, such as Food Stamps and public housing, are counted as income in determining poverty. This more accurate assessment shows that the overall poverty rate in 1999 was 8.8 percent, down from 10.2 percent in 1996.
- Hunger among children has been almost cut in half. According to the U.S. Department of Agriculture (USDA), there are nearly 2 million fewer hungry children today than at the time welfare reform was enacted.
- Welfare caseloads have been cut nearly in half and employment of the most disadvantaged single mothers has increased from 50 percent to 100 percent.
- The explosive growth of out-of-wedlock childbearing has come to a virtual halt. The share of children living in single-mother families has fallen, and the share living in married-couple families has increased, especially among black families.

Some attribute these positive trends to the strong economy in the late 1990s. Although a strong economy contributed to some of these trends, most of the positive changes greatly exceed similar trends that occurred in prior economic expansions. The difference this time is welfare reform.

Welfare reform has substantially reduced welfare's rewards to non-work, but much more remains to be done. When TANF is re-authorized next year, federal work requirements should be strengthened to ensure that states require all able-bodied parents to engage in a supervised job search, community service work, or skills training as a condition of receiving aid. Even more important, Congress must recognize

Produced by the Domestic Policy Studies Department

Published by The Heritage Foundation 214 Massachusetts Ave., N.E. Washington, D.C. 20002–4999 (202) 546-4400 http://www.heritage.org

This paper, in its entirety, can be found at: www.heritage.org/library/backgrounder/bg1468.html

Note: Nothing written here is to be construed as necessarily reflecting the views of The Heritage Foundation or as an attempt to aid or hinder the passage of any bill before Congress.

that the most effective way to reduce child poverty and increase child well-being is to increase the number of stable, productive marriages. In the future Congress must take active steps to reduce welfare dependence by rebuilding and strengthening marriage.

PREDICTIONS OF SOCIAL DISASTER DUE TO WELFARE REFORM

Five years ago, when the welfare reform legislation was signed into law, Senator Daniel Patrick Moynihan (D–NY) proclaimed the new law to be "the most brutal act of social policy since reconstruction."[1] He predicted, "Those involved will take this disgrace to their graves."[2]

Marian Wright Edelman, President of the Children's Defense Fund, declared the new reform law an "outrage ... that will hurt and impoverish millions of American children." The reform, she said, "will leave a moral blot on [Clinton's] presidency and on our nation that will never be forgotten."[3]

The Children's Defense Fund predicted that the reform law would increase "child poverty nationwide by 12 percent ... make children hungrier ... [and] reduce the incomes of one-fifth of all families with children in the nation."[4]

The Urban Institute issued a widely cited report predicting that the new law would push 2.6 million people, including 1.1 million children, into poverty. In addition, the study announced the new law would cause one-tenth of all American families, including 8 million families with children, to lose income.[5]

The Center on Budget and Policy Priorities asserted the new law would increase the number of children who are poor and "make many children who are already poor poorer still.... No piece of legislation in U.S. history has increased the severity of poverty so sharply [as the welfare reform will]."[6]

Patricia Ireland, president of the National Organization for Women, stated that the new welfare law "places 12.8 million people on welfare at risk of sinking further into poverty and homelessness."[7]

Peter Edelman, the husband of Marian Wright Edelman and then Assistant Secretary for Planning and Evaluation at the Department of Health and Human Services, resigned from the Clinton Administration in protest over the signing of the new welfare law. In an article entitled "The Worst Thing Bill Clinton Has Done," Edelman dubbed the new law "awful" policy that would do "serious injury to American children."[8]

Peter Edelman believed the reform law would not merely throw millions into poverty, but also would actively worsen virtually every existing social problem. He stated, "[t]here will be more malnutrition and more crime, increased infant mortality, and increased drug and alcohol abuse. There will be increased family violence and abuse against children and women." According to Edelman, the bill would fail even in the simple task of "effectively" promoting work because "there simply are not enough jobs now."[9]

---

1. Cited in Arianna Huffington, "Where Liberals Fear to Tread," August 26, 1996, at *http://www.ariannaonline.com/columns/files/082696.html*
2. Cited in "Welfare as They Know It," *The Wall Street Journal*, August 29, 2001, p.A14.
3. Children's Defense Fund, "Edelman Decries President's Betrayal of Promise 'Not to Hurt Children,'" July 31, 1996.
4. Children's Defense Fund, "How the Welfare Bill Profoundly Harms Children," July 31, 1996.
5. Cited in "Urban Institute Study Confirms that Welfare Bills Would Increase Child Poverty," Center on Budget and Policy Priorities, July 26, 1996.
6. David A. Super, Sharon Parrott, Susan Steinmetz, and Cindy Mann, "The New Welfare Law," Center on Budget and Policy Priorities, August 13, 1996.
7. Quoted in Lisa Bennet-Haigney, "Welfare Bill Further Endangers Domestic Violence Survivor," *National NOW Times*, January 1997.
8. Peter Edelman, "The Worst Thing Bill Clinton Has Done," *The Atlantic Monthly*, Vol. 279, No. 3 (March 1997), pp. 43–58.
9. *Ibid.*

WHAT ACTUALLY HAPPENED

In the half-decade since the welfare reform law was enacted, social conditions have changed in exactly the opposite direction from that predicted by liberal policy organizations. As noted above, overall poverty, child poverty, black child poverty, poverty of single mothers, and child hunger have substantially declined. Employment of single mothers increased dramatically and welfare rolls plummeted. The share of children living in single-mother families fell, and more important, the share of children living in married-couple families grew, especially among black families.[10]

Reform opponents would like to credit many of these positive changes to a "good economy." However, according to their predictions in 1996 and 1997, liberals expected the welfare reform law to have disastrous results *during* good economic times. They expected reform to increase poverty substantially even during periods of economic growth; if a recession did occur, they expected that far greater increases in poverty than those mentioned above would follow. Thus, it is disingenuous for opponents to argue in retrospect that the good economy was responsible for the frustration of pessimistic forecasts since the predicted dire outcomes were expected to occur even in a strong economy.

Less Poverty

Since the enactment of welfare reform in 1996, the conventional poverty rate has fallen from 13.7 percent in 1996 to 11.8 percent in 1999. Liberals predicted that welfare reform would push an additional 2.6 million people into poverty, but there are actually 4.2 million fewer people living in poverty today than there were when the welfare reform law was enacted.[11]

When the Earned Income Tax Credit and non-cash welfare benefits, such as Food Stamps and public housing, are counted in determining poverty, the poverty rate in 1999 was even lower: 8.8 percent, down from 10.2 percent in 1996.[12]

Less Child Poverty

The conventional child poverty rate has fallen from 20.5 percent in 1996 to 16.9 percent in 1999. In 1996, there were 14.4 million children in poverty compared with 12.1 million in 1999. Though liberals predicted that welfare reform would throw more than 1 million additional children into poverty, there are actually some 2.3 million fewer children living in poverty today than there were when welfare reform was enacted.[13] (See Chart 1.)

The child poverty rate is even lower when the EITC and non-cash welfare benefits, such as Food Stamps and public housing, are counted as income; the 1999 child poverty rate in this more accurate assessment was 11.2 percent, down from 14 percent in 1996.[14]

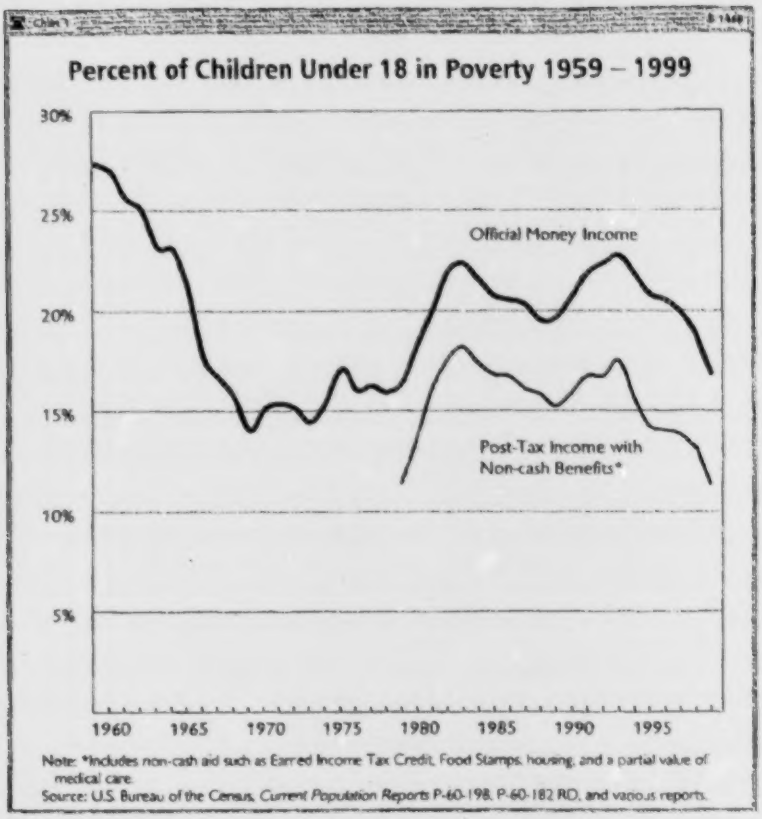
---

10. The beginning of welfare reform actually occurred in stages during the mid-1990s; therefore it is somewhat arbitrary to assign a single date to mark the start of reform. During 1993 and 1994, some states experimented with workfare programs using federal waivers. In January 1995, Republicans took control of both houses in Congress and many states began implementing reforms in anticipation of the federal legislation that was finally enacted in August 1996. Overall, the onset of reform could be said to have occurred over a three-year period from 1994 through 1996; thus, some of the positive changes from welfare reform may predate the actual signing of the bill in 1996.

11. U.S. Bureau of the Census, *Poverty in the United States 1999: Current Population Reports Series P60-210* (Washington, D.C.: U.S. Government Printing Office, 2000), p. B2.

12. The U.S. Census Bureau defines a family as poor if its annual "income" falls below specified poverty income thresholds. For example, the poverty income threshold for a family of four in 1999 was $17,029. The conventional or most common poverty measure counts most cash as income but excludes welfare benefits, such as the Earned Income Tax Credit, Food Stamps, and public housing. When these benefits are counted, the number of persons deemed poor drops substantially. Poverty figures including EITC and non-cash aid are from U.S. Bureau of the Census, *Poverty in the United States 1999*, p. 29, and *Poverty in the United States 1996, Current Population Reports Series P60-198* (Washington, D.C.: U.S. Government Printing Office, 1997), p. 25. The figures use income definition 14.

13. U.S. Bureau of the Census, *Poverty in the United States 1999*, p. B2.



Note: *Includes non-cash aid such as Earned Income Tax Credit, Food Stamps, housing, and a partial value of medical care.
Source: U.S. Bureau of the Census, *Current Population Reports* P-60-198, P-60-182 RD, and various reports.

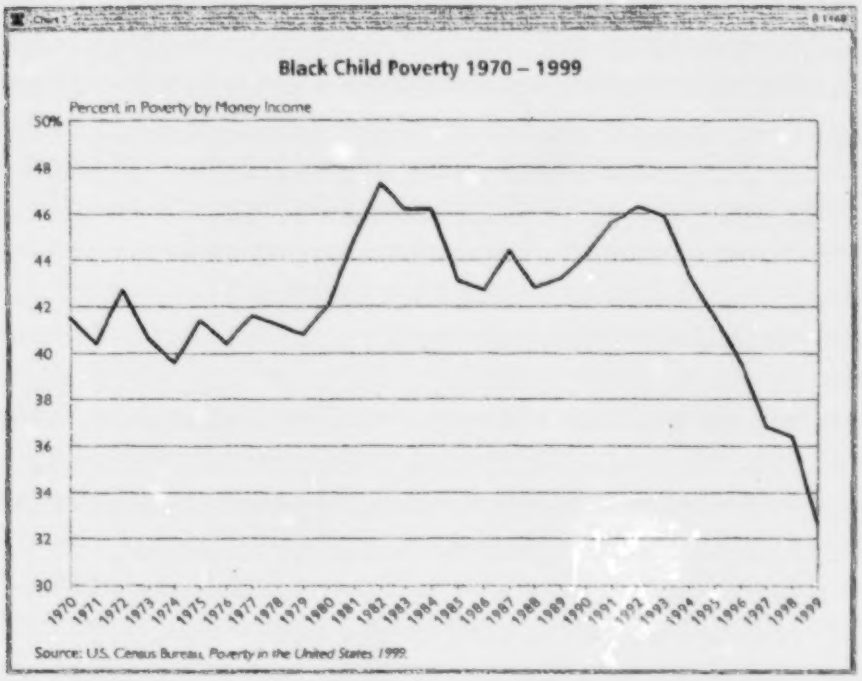
Less Black Child Poverty

According to the Census Bureau, the decreases in poverty have been the greatest among black children. Today, the poverty rate for black children has fallen to the lowest point in U.S. history. The conventional black child poverty rate has fallen by one-third, from around 43.8 percent in the mid-1990s to 33.1 percent in 1999. There are 1.1 million fewer black children in poverty today than there were in the mid-1990s.[15] (See Chart 2.)

When the EITC and non-cash welfare benefits, such as Food Stamps and public housing, are counted as income, the black child poverty rate is even lower. According to this more accurate mea-

14. Poverty figures including EITC and non-cash aid are from U.S. Bureau of the Census, *Poverty in the United States 1999*, p. 29, and *Poverty in the United States 1996*, p. 25. The figures in the text use income definition 14.

15. U.S. Bureau of the Census, *Poverty in the United States 1999*, p. B-9.



sure, the black child poverty rate in 1999 was 21.6 percent, down from 31.1 percent in the mid-1990s.

Less Poverty Among Single Mothers

Like the rate for black children, the poverty rate for children living with single mothers also is at its lowest point in U.S. history. The rate fell from 44 percent in the mid-1990s to 35.7 percent in 1999. There are 700,000 fewer single mothers living in poverty today than there were in the mid-1990s.[16]

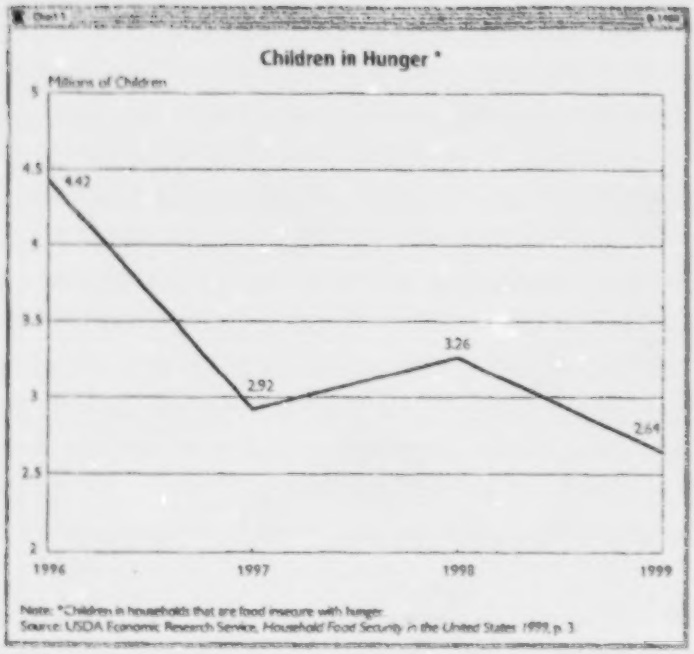
When the EITC and non-cash welfare benefits, such as Food Stamps and public housing, are counted as income, the poverty rate for single mothers is substantially lower. According to this more accurate measure, the poverty rate for single mother families was 25.7 in 1999, down from 34.4 percent in the mid-1990s.

Dramatic Reduction in Child Hunger

The number of children who are "hungry" has been cut nearly in half since the enactment of welfare reform, according to the U.S. Department of Agriculture. The USDA reports that in 1996, 4.4 million children were hungry; by 1999, the number had fallen to 2.6 million.[17] Thus, there are

16. *Ibid.*, p. B-12.

17. The figures reflect the number of children living in households that were "food insecure with hunger." See Margaret Andrews, Mark Nord, Gary Bickel, and Steven Carlson, *Household Food Security in the United States, 1999*, U.S. Department of Agriculture, Economic Research Service, 2000, p. 3.



nearly 2 million fewer hungry children today than at the time welfare reform was enacted. (See Chart 3.)

Decrease in the "Severity of Poverty"

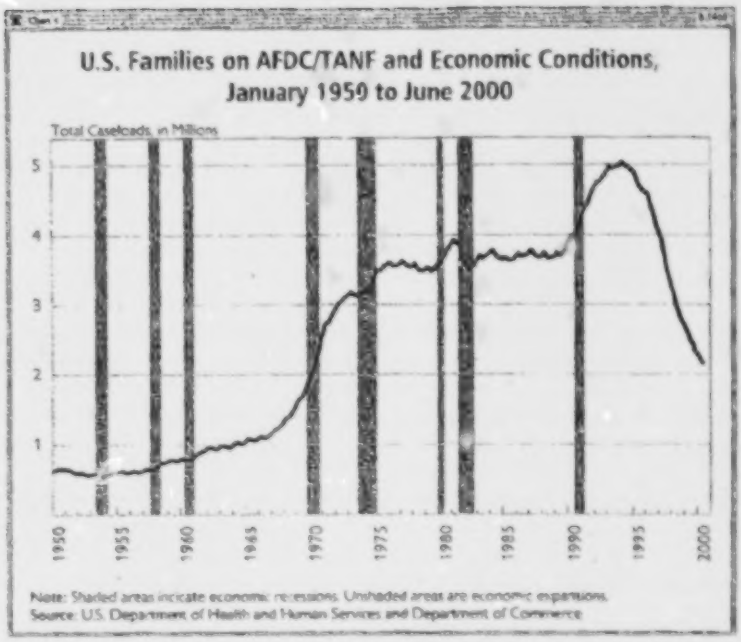
Liberals, like those at the Center on Budget and Policy Priorities, predicted that welfare reform would increase "the severity of poverty." Specifically, it would increase the so-called poverty gap for families with children by over $4 billion.[18] (The poverty gap is the measure of total income that is needed to lift the income of all poor families exactly to the poverty line.) In reality, the poverty gap for families with children has decreased by $4.5 billion.[19]

Similarly, the number of children living in "deep poverty" has declined appreciably. (Families in "deep poverty" have incomes that are less than half the poverty income level.) In 1996, there were 6.3 million children living in deep poverty; by 1999,

18. Center on Budget and Policy Priorities, "Urban Institute Study Confirms That Welfare Bills Would Increase Child Poverty."

19. U.S. Bureau of the Census, *Poverty in the United States 1996*, p. 21, and *Poverty in the United States 1999*, p. 23. Confusingly, the average poverty gap per poor family has actually increased by $428 per year. Ironically, this is largely a result of the substantial reduction in the number of poor families. If the typical family exiting from poverty historically tended to have a higher income than those remaining in poverty, then as the number of poor families shrinks, the average income of those who are still in poverty may actually appear to decrease, since it is the relatively poorer families which remain within the poverty group. This statistical mirage of declining income of the poor can occur even if everyone's income is rising.

the number had fallen to 4.9 million.[20]



Plummeting Welfare Dependence

The designers of welfare reform were concerned that prolonged welfare dependence had negative effects on the development of children. Their goal was to disrupt intergenerational dependence by moving families with children off the welfare rolls through increased work and marriage. Since the enactment of welfare reform, welfare dependence has been cut nearly in half. The caseload in the former AFDC program (now TANF) fell from 4.3 million families in August 1995 to 2.2 million in June 2000. (See Chart 4.)

Contrary to conventional wisdom, the decline in welfare dependence has been greatest among the most disadvantaged and least employable single mothers—the group with the greatest tendency toward long-term dependence. Specifically, dependence has fallen most sharply among young never-married mothers who have low levels of education and young children.[21] This is dramatic confirmation that welfare reform is affecting the whole welfare caseload, not merely the most employable mothers.

Increased Employment

Since the mid-1990s, the employment rate of single mothers has increased dramatically. Again, contrary to conventional wisdom, employment has increased most rapidly among the most disadvantaged, least employable groups:

- Employment of never-married mothers has increased nearly 50 percent.
- Employment of single mothers who are high school dropouts has risen by two-thirds.

20. U.S. Bureau of the Census, *Poverty in the United States 1996*, p. 2, and *Poverty in the United States 1999*, p. 2.

21. June E. O'Neill, and M. Anne Hill, "Gaining Ground? Measuring the Impact of Welfare Reform on Welfare and Work," *Manhattan Institute Civic Report* No. 17, July 2001, pp. 8, 9.

- Employment of young single mothers (ages 18 to 24) has nearly doubled.[22]

Thus, against conventional wisdom, the effects of welfare reform have been the greatest among the most disadvantaged single parents—those with the greatest barriers to self-sufficiency. Both decreases in dependence and increases in employment have been most dramatic among those who have the greatest tendency to long-term dependence, that is, among the younger never-married mothers with little education.

A Halt in the Rise of Out-of-Wedlock Childbearing

Since the beginning of the War on Poverty, the illegitimacy rate (the percentage of births outside of marriage) increased enormously. For nearly three decades, out-of-wedlock births as a share of all births rose steadily at a rate of almost one percentage point per year. Overall, out-of-wedlock births rose from 7.7 percent of all births in 1965 to an astonishing 32.6 percent in 1994. However, in the mid-1990s, the relentless 30-year rise in illegitimacy came to an abrupt halt. For the past five years, the out-of-wedlock birth rate has remained essentially flat. (See Chart 5.)

Among blacks, the out-of-wedlock birth rate actually fell from 70.4 percent in 1994 to 68.8 percent in 1999. Among whites, the rate rose slightly, from 25.5 percent to 26.7 percent, but the rate of increase was far slower than it had been in the period prior to welfare reform.

22. *Ibid.*, pp. 10–14.

A Shift Toward Marriage

Throughout the War on Poverty period, marriage eroded. However, since the welfare reform was enacted, this negative trend has begun to reverse. The share of children living with single mothers has declined while the share living with married couples has increased.

This change is most pronounced among blacks. Between 1994 and 1999, the share of black children living with single mothers fell from 47.1 percent to 43.1 percent, while the share living with married couples rose from 34.8 percent to 38.9 percent. Similar though smaller shifts occurred among Hispanics.[23]

While these changes are small, they do represent a distinct reversal of the prevailing negative trends of the past four decades. If these shifts toward marriage are harbingers of future social trends, they are the most positive and significant news in all of welfare reform.

WHO GETS THE CREDIT? THE GOOD ECONOMY VERSUS WELFARE REFORM

Some would argue that the positive effects noted above are the product of the robust economy during the 1990s, rather than the results of welfare reform. However, the evidence supporting an economic interpretation of these changes is not strong.

Chart 4 shows the AFDC caseload from 1950 to 2000. On the chart, periods of economic recession are shaded while periods of economic growth are shown in white. Historically, periods of economic growth have not resulted in lower welfare caseloads. The chart shows eight periods of economic expansion prior to the 1990s, yet none of these periods of growth led to a significant drop in AFDC caseload. Indeed, during two previous economic expansions (the late 1960s and the early 1970s), the welfare caseload *grew* substantially. Only during the expansion of the 1990s does the caseload drop appreciably. How was the economic expansion of the 1990s different from the eight prior expansions? The answer is welfare reform.

Another way to disentangle the effects of welfare policies and economic factors on declining caseloads is to examine the differences in state performance. The rate of caseload decline varies enormously among the 50 states. If improving economic conditions were the main factor driving caseloads down, then the variation in state reduction rates should be linked to variation in state economic conditions. On the other hand, if welfare polices are the key factor behind falling dependence, then the differences in reduction rates should be linked to specific state welfare policies.

In a 1999 Heritage Foundation study, "The Determinants of Welfare Caseload Decline," the author examined the impact of economic factors and welfare policies on falling caseloads in the states.[24] This analysis showed that differences in state welfare reform policies were highly successful in explaining the rapid rates of caseload decline. By contrast, the relative vigor of state economies, as measured by unemployment rates, changes in unemployment, or state job growth, had no statistically significant effect on caseload decline.

A recent paper by Dr. June O'Neill, former Director of the Congressional Budget Office, reaches similar conclusions. Dr. O'Neill examined changes in welfare caseload and employment from 1983 to 1999. Her analysis shows that in the period after the enactment of welfare reform, policy changes accounted for roughly three-quarters of the increase in employment and decrease in dependence. By contrast, economic conditions explained only about one-quarter of the changes in employment and dependence.[25] Substantial employment increases, in turn, have led to large drops in child poverty.

Overall, it is true that the health of the U.S. economy has been a positive background factor

23. Allen Dupree and Wendell Primus, "Declining Share of Children Lived With Single Mothers in the Late 1990s," Center on Budget and Policy Priorities, June 15, 2001, p. 7.

24. Robert E. Rector and Sarah E. Youssef, "The Determinants of Welfare Caseload Decline," Heritage Foundation *Center for Data Analysis Report* CDA99-04, May 11, 1999.

25. O'Neill and Hill, "Gaining Ground? Measuring the Impact of Welfare Reform on Welfare and Work," Table 4, p. 22.

contributing to the changes in welfare dependence, employment, and poverty. It is very unlikely, for example, that dramatic drops in dependence and increases in employment would have occurred during a recession. However, it is also certain that good economic conditions alone would not have produced the striking changes that occurred in the late 1990s. It is only when welfare reform was coupled with a growing economy that these dramatic positive changes occurred.

Out-of-Wedlock Child-Bearing and the Economy

Out-of-wedlock child-bearing and marriage rates have never been correlated to periods of economic growth. Efforts to link the positive changes in these areas to growth in the economy are without any basis in fact. The onset of welfare reform is the only plausible explanation for the shifts in these social trends. Welfare reform affected out-of-wedlock childbearing and marriage in two ways.

First, even before the passage of the law, the public debate about welfare reform sent a strong symbolic message that, in the future, welfare would be time-limited and that single mothers would be expected to work and be self-reliant. This message communicated to potential single mothers that the welfare system would be less supportive of out-of-wedlock child-bearing and that raising a child outside of marriage would be more challenging in the future. The reduction in out-of-wedlock births was, at least in part, a response to this message.

Second, reform indirectly reduced welfare's disincentives to marriage. Traditional welfare stood as an economic alternative to marriage, and mothers on welfare faced very stiff financial penalties if they did marry. As women leave AFDC/TANF due to welfare reform, fewer are affected by welfare's financial penalties against marriage. In addition, some women may rely on husbands to provide income that is no longer available from welfare. Thus, as the number of women on welfare shrinks, marriage and cohabitation rates among low-income individuals can be expected to rise.

What Will Happen During a Recession?

There is considerable concern over what will happen to welfare caseloads and poverty during the current economic slowdown. No one at present can answer these questions, but a reasonable guess is that welfare caseloads and poverty will rise during the slowdown, though not as steeply as they did in prior slowdowns.

Throughout the slowdown or recession, TANF will provide support to parents without jobs.[26] Welfare reform was not designed to kick single mothers off welfare and abandon them if they cannot find a private-sector job. If the number of available jobs shrinks during the recession, mothers should be welcomed back onto the TANF rolls. However, while on TANF, all parents should be required to perform community service work, training, or supervised job search. Such performance requirements will increase the incentive to re-enter the labor market and will reduce the length of future stays on welfare.

The re-entry into TANF of large numbers of former recipients may seem to conflict with strict time limits on the receipt of TANF benefits. However, federal and most state time limits have sufficient loopholes that time limits should not serve as an obstacle to receipt of benefits in most cases. Under no circumstances should a state deny TANF benefits to a parent who genuinely cannot find private-sector employment.

LOOKING TO THE FUTURE

The trends of the past five years have led some of the strongest critics of welfare reform to reconsider their opposition, at least in part. In 1996, the Deputy Assistant Secretary for Human Services Policy, Wendell Primus, also resigned from the Clinton Administration to protest the President's signing of the welfare reform legislation, predicting that the new law would throw millions of children into poverty.

26. A recession is two successive quarters of negative economic growth in which the Gross National Product actually shrinks. A slowdown is a period of little or no economic growth. The U.S. economy is currently in slowdown rather than a full-fledged recession.

As Director of Income Security at the Center on Budget and Policy Priorities, Primus has spent the past five years analyzing the effects of welfare reform. The evidence has tempered his earlier pessimism. He recently stated,

> In many ways welfare reform is working better than I thought it would. The sky isn't falling anymore. Whatever we have been doing over the last five years, we ought to keep going.[27]

Wendell Primus is correct. When Congress reauthorizes the TANF program next year, it should push forward boldly to further promote the three explicit goals of the 1996 reform:

- To reduce dependence and increase employment;
- To reduce child poverty; and
- To reduce illegitimacy and strengthen marriage.

These three goals are linked synergistically. Work requirements in welfare will reduce dependence and increase employment, which in turn will reduce poverty. As fewer women depend on welfare in the future, marriage rates may well rise. Increasing marriage, in turn, is the most effective means of reducing poverty.

Next Steps in Reform

When Congress re-authorizes the Temporary Assistance to Needy Families programs in 2002, it should take the following specific steps.

1. **Strengthen federal work requirements.** Currently, about half of the 2 million mothers on TANF are idle on the rolls and are not engaged in constructive activities leading to self-sufficiency. This is unacceptable. Existing federal work requirements must be greatly strengthened so that all able-bodied parents are engaged continuously in supervised job search, community service work, or training.

   In addition, some states still provide federal welfare as an unconditional entitlement; recipients who refuse to perform required activities continue to receive most benefits. In re-authorizing the TANF program, Congress should ensure that the law will prohibit federal funds from being misused in this manner in the future.

2. **Strengthen marriage.** As Charts 6 and 7 show, the poverty rate of single-parent families is about five times higher than among married-couple families. The most effective way to reduce child poverty and increase child well-being is to increase the number of stable, productive marriages. This can be accomplished in three ways.

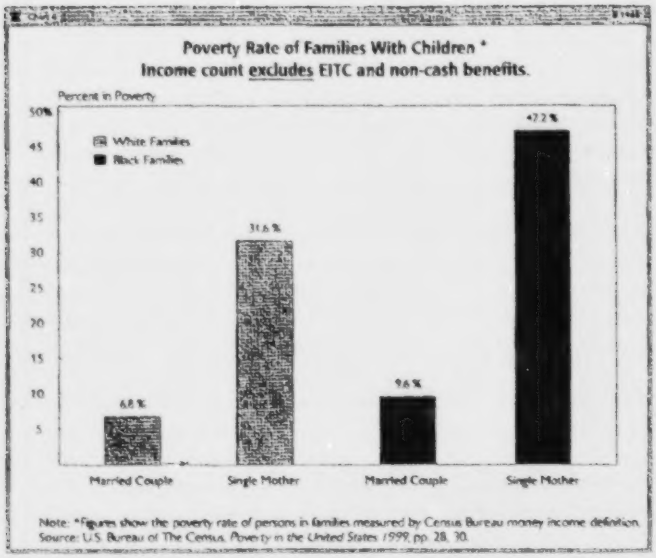
   First, the substantial penalties against marriage in the overall welfare system should be reduced. As it is currently structured, welfare rewards illegitimacy and wages war against marriage. That war must cease.[28]

   Second, the government should educate young men and women on the benefits of marriage in life.

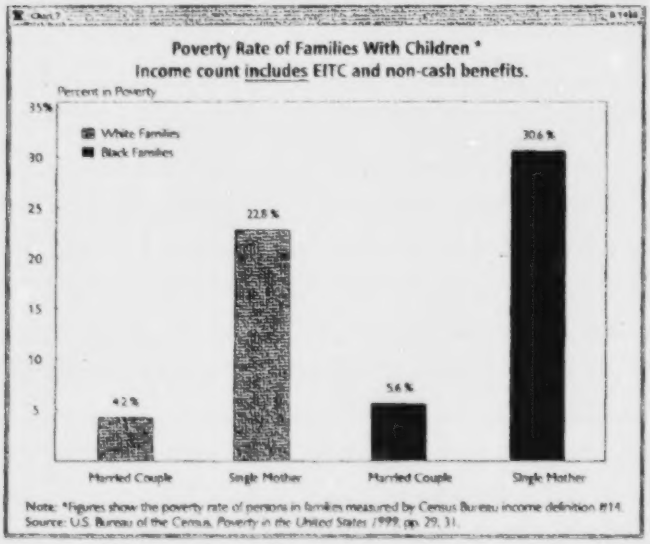
   Third, programs should provide couples with the skills needed to reduce conflict and physical abuse and to increase satisfaction and longevity in a marital relationship.

   The 1996 TANF law established the formal goals of reducing out-of-wedlock childbearing and increasing marriage, but despite nearly $100 billion in TANF spending over the last five years, the states have spent virtually nothing on specific pro-marriage programs. The slowdown in the growth of illegitimacy and the increases in marriage have occurred as the incidental by-product of work-related reforms and not as the result of positive pro-marriage initiatives by the states. The current neglect of marriage is scandalous and deeply injurious to the well-being of children. In future years, 5 percent to 10 percent of federal TANF funds should be earmarked for pro-marriage initiatives.

27. Quoted in Blaine Harden, "Two Parent Families Rise after Change in Welfare Laws," *The New York Times*, August 12, 2001, Section 1, p. 1.



Note: *Figures show the poverty rate of persons in families measured by Census Bureau money income definition.
Source: U.S. Bureau of The Census, *Poverty in the United States 1999*, pp. 28, 30.



Note: *Figures show the poverty rate of persons in families measured by Census Bureau income definition #14.
Source: U.S. Bureau of the Census, *Poverty in the United States 1999*, pp. 29, 31.

CONCLUSION

More than 20 years ago, President Jimmy Carter stated, "the welfare system is anti-work, anti-family, inequitable in its treatment of the poor and wasteful of the taxpayers' dollars."[29] President Carter was correct in his assessment.

The 1996 welfare reform began necessary changes to the disastrous old welfare system. The rewards to non-work in the TANF program have been substantially reduced. But much more remains to be done. When Congress re-authorizes TANF next year, it should ensure that, in the future, all able-bodied welfare recipients are required to work or undertake other constructive activities as a condition of receiving aid.

But increasing work is not enough. Each year, one-third of all children are born outside of wedlock; this means that one child is born to an unmarried mother every 25 seconds. This collapse of marriage is the principal cause of child poverty and welfare dependence. In addition, children in these families are more likely to become involved in crime, to have emotional and behavioral problems, to be physically abused, to fail in school, to abuse drugs, and to end up on welfare as adults.

Despite these harsh facts, the anti-marriage effects of welfare, which President Carter noted over two decades ago, are largely intact. The current indifference and hostility to marriage in the welfare system is a national disgrace. In reauthorizing TANF, Congress must make the rebuilding of marriage its top priority. The restoration of marriage in American society is truly the next frontier of welfare reform.

—Robert Rector is Senior Research Fellow in Domestic Policy Studies.

---

28. While it is widely accepted that welfare is biased against marriage, relatively few understand how this bias operates. Many erroneously believe that welfare programs have eligibility criteria that directly exclude married couples. This is not true. Nevertheless, welfare programs do penalize marriage and reward single parenthood because of the inherent design of all means-tested programs. In a means-tested program, the benefits are reduced as non-welfare income rises. Thus, under any means-tested system, a mother will receive greater benefits if she remains single than if she is married to a working husband. Welfare not only serves as a substitute for a husband, it actually penalizes marriage because a low-income couple will experience a significant drop in combined income if they marry.
For example, the typical single mother on TANF receives a combined welfare package of various means-tested aid benefits worth about $14,000 per year. Suppose this typical single mother receives welfare benefits worth $14,000 per year while the father of her children has a low-wage job paying $15,000 per year. If the mother and father remain unmarried, they will have a combined income of $29,000 ($14,000 from welfare and $15,000 from earnings). However, if the couple marries, the father's earnings will be counted against the mother's welfare eligibility. Welfare benefits will be eliminated or cut dramatically and the couple's combined income will fall substantially. Thus, means-tested welfare programs do not penalize marriage *per se*, but instead implicitly penalize marriage to an employed man with earnings. Nonetheless, the practical effect is to significantly discourage marriage among low-income couples. This anti-marriage discrimination is inherent in all means-tested aid programs, including TANF, Food Stamps, public housing, Medicaid, and the Women, Infants and Children (WIC) food program.

29. Quoted in Roger A. Freeman, *Does America Neglect Its Poor?* (Stanford, Cal.: The Hoover Institution, 1987), p. 12.

****

The Heritage Foundation is a public policy, research, and educational organization operating under Section 501(C)(3). It is privately supported, and receives no funds from any government at any level, nor does it perform any government or other contract work.

The Heritage Foundation is the most broadly supported think tank in the United States. During 2000, it had more than 150,297 individual, foundation, and corporate supporters representing every state in the U.S. Its 1999 contributions came from the following sources:

Government	0.0%
Individuals	51.2%
Foundations	17.0%
Corporations	3.2%
Investment Income	25.9%
Publication Sales and Other	2.7%

The top five corporate givers provided The Heritage Foundation with less than 1.6% of its 2000 income. The Heritage Foundation's books are audited annually by the national accounting firm of Deloitte & Touche. A list of major donors is available from The Heritage Foundation upon request.

Members of The Heritage Foundation staff testify as individuals discussing their own independent research. The views expressed are their own, and do not reflect an institutional position for The Heritage Foundation or its board of trustees.

Committee on Education and the Workforce

Witness Disclosure Requirement – "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name: Robert Rector		
1. Will you be representing a federal, State, or local government entity? (If the answer is yes please contact the Committee).	Yes	No ✓
2. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1998: None		
3. Will you be representing an entity other than a government entity?	Yes	No ✓
4. Other than yourself, please list what entity or entities you will be representing. None		
5. Please list any offices or elected positions held and/or briefly describe your representational capacity with each of the entities you listed in response to question 4: None		
6. Please list any federal grants or contracts (including subgrants or subcontracts) received by the entities you listed in response to question 4 since October 1, 1998, including the source and amount of each grant or contract: None		
7. Are there parent organizations, subsidiaries, or partnerships to the entities you disclosed in response to question number 4 that you will not be representing? If so, please list:	Yes --	No ✓

Signature: Robert Rector Date: Sept 20, 2001

Please attach this sheet to your written testimony.

****

The Heritage Foundation is a public policy, research, and educational organization operating under Section 501(C)(3). It is privately supported, and receives no funds from any government at any level, nor does it perform any government or other contract work.

The Heritage Foundation is the most broadly supported think tank in the United States. During 2000, it had more than 150,297 individual, foundation, and corporate supporters representing every state in the U.S. Its 1999 contributions came from the following sources:

Government	0.0%
Individuals	51.2%
Foundations	17.0%
Corporations	3.2%
Investment Income	25.9%
Publication Sales and Other	2.7%

The top five corporate givers provided The Heritage Foundation with less than 1.6% of its 2000 income. The Heritage Foundation's books are audited annually by the national accounting firm of Deloitte & Touche. A list of major donors is available from The Heritage Foundation upon request.

Members of The Heritage Foundation staff testify as individuals discussing their own independent research. The views expressed are their own, and do not reflect an institutional position for The Heritage Foundation or its board of trustees.

APPENDIX E -- WRITTEN STATEMENT OF JOEL POTTS, TANF POLICY ADMINISTRATOR, OHIO DEPARTMENT OF JOB AND FAMILY SERVICES, COLUMBUS, OHIO

Committee on Education and the Workforce

Subcommittee on 21st Century Competitiveness

The Honorable Howard P. "Buck" McKeon, Chairman

Testimony by Joel Potts, Ohio Department of Job and Family Services

September 20, 2001

Good morning, my name is Joel Potts and I am the TANF Policy Administrator for the Ohio Department of Job and Family Services. I am here today to discuss the effects of welfare reform in Ohio.

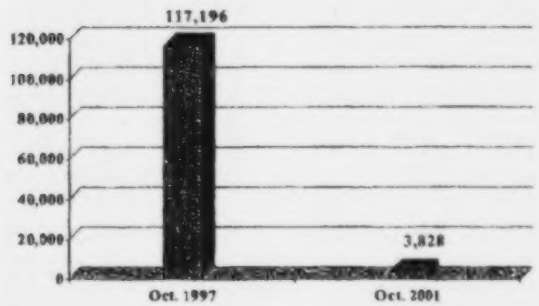
Ohio's 88 counties and the state have successfully implemented the Ohio Works First welfare reform program. The unprecedented flexibility and approach afforded the agency by Congress in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 has allowed Ohio to move forward with fundamental reform in the welfare system. While a safety net remains to serve children and those who cannot work, the primary focus of welfare reform in Ohio moved from a system focused on providing cash payments to a system bringing stability and self-sufficiency to people's lives through promotion of a work first/workforce philosophy.

Today, there are fewer Ohioans receiving monthly benefits than at any time since 1967. When our caseloads peaked in March of 1992, 748,717 individuals were receiving cash assistance at an average cost of $82 million per month. Today, that number is below 210,000 at an average cost of $27 million per month. The reduction in caseload has provided the state significant funding to go along with the flexibility provided by Congress. The result is a model for welfare reform highlighted with more families being served, fewer welfare dependent families, increased earnings, decreased poverty for those formerly on the system and broad community support and involvement.

Ohio's welfare reform program is divided into two major categories. The first category provides temporary cash assistance to families for a maximum of three years and is referred to as Ohio Works First. During their time on assistance, families must sign self-sufficiency contracts outlining work activities and other obligations they must fulfill as a condition of receiving cash assistance.

On October 1, 2000, Ohio passed a significant milestone in the implementation of Ohio Works First. That was the first date on which households faced the risk of cutoffs as a result of utilizing all three years of eligibility. On October 1, 1997, there were 117,000 families that potentially faced termination on October 1 of 2000. Of the original 117,00 families, fewer than 4,000 of them were still receiving benefits and ultimately lost cash assistance as a result of time limits on that date. The 88 counties deserve tremendous credit for the manner in which the 36 month limit was implemented and for the care that they showed in working with these families.

IMPACT OF TIME LIMITS
Potential versus Actual



Ohio is reinventing welfare by reinvesting in its communities. Ohio's counties have been given more flexibility than ever before in designing and implementing a service delivery system that addressees the needs of the people they serve.

The second category of our welfare reform program is referred to as Prevention, Retention and Contingency, or PRC. The PRC program focuses on providing people with the help they need to stay off public assistance and assume personal responsibility. Counties determine what services to provide and also set eligibility levels. Individuals do not have to receive cash assistance to qualify for this portion of the program.

To meet the needs of poor families, counties have made use of the program in a wide variety of ways to deal with problems unique to their local communities. For example:

Hamilton County - This metropolitan county contracts with a private non-profit consortium of providers to work with "hard to serve" families. These families are generally recognized as multiple needs families that have a history of public assistance dependency. In the past four years, over 3,000 families have been served with only 150 families returning to public assistance.

Appalachian Counties - To address the chronic need to improve attendance in Appalachian schools, Appalachian counties have implemented head-lice programs. (Head lice is the number one cause for absenteeism in Appalachia Ohio.) PRC programs have aggressively dealt with this problem and in many school districts absenteeism has declined by as much as 50 percent.

Cuyahoga County - The Cleveland area has effectively used its PRC program to address the needs of families facing welfare cut-offs by partnering with numerous county organizations and developing programs to ensure that every family has access to services they desire or need to succeed. Their time-limit cut-off plan includes providing immediate employment opportunities

for work ready clients, transitional employment for those who are not necessarily ready to enter the job market and short term transitional assistance. Additionally, a child safety review process is in place which provides home visits by community based agencies, linking families to support services and assessing the viability of a family's plan for meeting its basic needs.

Montgomery County - Only 6 percent of low income families have computers in their homes compared to 56% of families earning more than $50,000 per year. In an effort to address the digital divide and provide computers, technology and training to poor families, Montgomery County has developed a program that provides inner-city youth with the opportunity to "earn" a new computer. This initiative is an intense computer training program that includes education in software and hardware as well as exposing teenagers to the computer field and possible employment opportunities after graduation. Students who complete the course and meet all of the requirements will get to keep the computer they actually build during the 4 week course.

This program has the endorsement of local community and business leaders and costs the county less than $600 per student.

PRC is now one of the largest program in the state providing assistance to poor families in Ohio. Through county departments, the state anticipates expenditures in the current biennium of nearly $600 million dollars with nearly half of the money being utilized for employment, training, work support and diversion. During the Fall of 2000, the Ohio Legislative Welfare Oversight Council, Co-chaired by State Representatives Netzley and Boyd, visited with 19 separate counties to discuss the progress of welfare reform. Without exception, PRC was highlighted by each county as the most significant program in addressing the challenges of long-term dependency.

Additional major categories of expenditures include pregnancy prevention, youth education and support, emergency services, child welfare, non-custodial parent services and domestic violence counseling. Furthermore, it should be noted that Ohio has been one of the leading states in the

nation for actively involving the faith-based community in welfare reform. Counties project expenditures in excess of $40 million in contracts with faith-based organizations to provide many of the services mentioned above.

In short, Ohio's welfare reform program is paying off for families and communities. According to studies commissioned by ODJFS and mandated by the Ohio General Assembly, Ohio Works First's emphasis on employment, personal responsibility and community support is working. According to studies produced by Macro International and the Ohio State University of families formerly participating in Ohio Works First, we found:

They're working

- Two thirds of former recipients report working

A full week

- They work an average of 38.4 hours per week

Their earnings are up

- They earn, on average, $8.65 per hour or $1410 per month

Their kids have health care

- Most (83%) indicated their youngest child had health care coverage

They're finding work close to home

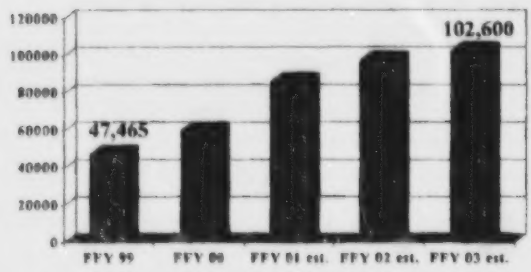
- 50% of respondents traveled less than 15 minutes to work and 85% travel less than 30 minutes.

They're not coming back

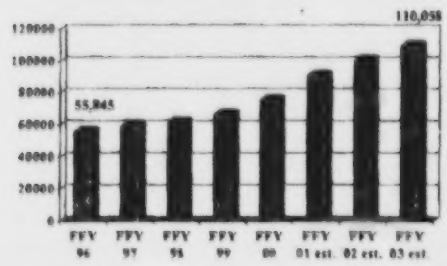
- Most (84%) say they don't intend to return to OWF in the future.

A cornerstone of welfare reform in Ohio was to make work pay and we're meeting that goal. A family of three on welfare receives a maximum benefit of $ 373 per month. A typical former recipient who works, earns in excess of $1400 per month. In addition, expansions in health care coverage for working families, child care and PRC help to assure a family's transition to the workforce have the critical supports needed to be successful.

AVERAGE MONTHLY SCHIP CASELOAD
FFY 99 TO FFY 03



AVERAGE CHILD CARE CASELOAD
FFY 96 TO FFY 03 est.



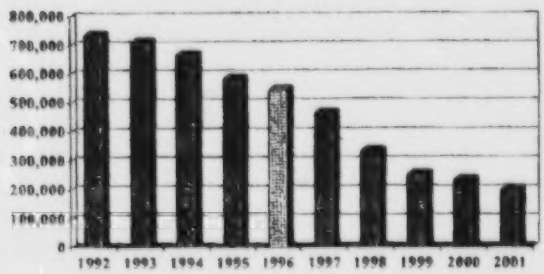
Ohio has taken a responsible approach to welfare reform and the block grant. Our strategy has been to provide tremendous flexibility and funding for programs and services never before possible, while still maintaining a responsible cash reserve to protect against a major downturn in the economy. Our approach has been to be responsive to meet the needs of the clients,

responsible to the integrity of the TANF program and fiscally prudent.

For the first time in Ohio's history we are spending more welfare dollars to support work than to support dependency. As our caseloads continue to decrease we are able to shift more revenues to families to stabilize their lives and prevent long-term dependency.

Statewide Cash Assistance Recipients

73% Decline from 1992 to 2001



1996 Represent the beginning of federal welfare reform

In Ohio, we have taken a holistic approach to addressing the needs of families dependent on public assistance. We no longer operate a one-size-fits-all program but instead treat families on a case by case basis. We also operate our programs at the local level, empowering those individuals working directly with the families with the resources to be successful. And, we work closely with our communities to build on their strengths and address their weaknesses.

The success of Ohio's program cannot be credited to a single portion of our welfare reform strategy. The needs and motivations of families dependent on assistance is widely varied and our program is a package of services and requirements which collectively have worked to help families break the cycle of dependency. Work and training programs, work supports, time limits, sanctions, counseling, caseworker intervention, prevention, retention and contingency programs all work collectively to create a system that has succeeded in turning public assistance from a

system of dependency to one of self sufficiency.

For over sixty years our nation operated a public assistance system that focused on dependency, discouraged work and marriage and created barriers to employment. The result was generational welfare caseloads living in extreme poverty. Over the past five years we have been operating under a new assumption, that public assistance should be a temporary means of supporting a family and focused on employment. The result is a dramatic decrease in families relying on cash assistance and a dramatic increase in the number of working families.

Ohio has responded to the challenges of TANF by creating a temporary cash assistance program helping families end dependency on government benefits. We have successfully moved from a system of providing cash payments to bringing stability and self-sufficiency to people's lives through the promotion of a work first/workforce philosophy.

As we begin the TANF reauthorization debate, it is important that Congress takes into consideration all the significant investments that states have made to address the challenges of welfare reform outside of the TANF program. Ohio continues to make significant investments by providing services to poor families in excess of federal mandates that will not necessarily show up on federal reports. We have dramatically increased State funding for programs that support employment including child care, health care, substance abuse treatment, counseling and transportation. While these financial commitments may not show up in federal TANF reports they are nonetheless an important part of the success story of welfare reform in Ohio.

Ohio's requests of Congress for reauthorization are simple and straightforward:

First, we would like to stay the course. The combination of block grant funding, flexibility and time limits have helped us to provide a system that supports families and makes work pay. Ohio has a 34 year low in caseloads and studies show that 60 percent of families formerly dependent

on welfare are no longer living in poverty.

Second, we urge Congress to continue funding at the current level. Today, we are serving families in new ways, shifting the direction in which TANF funds flow from cash assistance to work and family supports. Reductions in funding will effect the most creative and forward thinking programs and erode confidence in the states and local communities. If we are going to continue to be serious about welfare reform and not just focus on caseload size, we must continue to have the funding and flexibility to operate this highly effective program.

Third, the option to transfer 30 percent of TANF into the child care development fund and social services block grant is a vital part of welfare reform. The ability to transfer these funds provides tremendous support to working poor families and supports the Ohio Work First philosophy.

Finally, it is hard to argue with success and TANF has been a tremendous success in Ohio. We believe other federal programs should mirror TANF and provide services that support work and self-sufficiency, state flexibility and performance.

We look forward to working with Congress throughout the reauthorization debate. Thank you for the opportunity to testify today regarding the TANF program and I would be happy to address any questions.

APPENDIX F -- WRITTEN STATEMENT OF DR. HEATHER BOUSHEY, ECONOMIST, ECONOMIC POLICY INSTITUTE, WASHINGTON, DC

Testimony of Heather Boushey
Economist, Economic Policy Institute, Washington, Dc
Before the Committee on Education and the Workforce
U.S. House of Representatives
Thursday, September 20, 2001

Chairman Buck McKeon and Members of the Committee:

My name is Heather Boushey. I am an Economist at the Economic Policy Institute in Washington, DC. It is a great privilege to be here today to discuss the effects of the Personal Responsibility and Work Opportunity Reconciliation Act on working families.

There appear to be many positive developments since the passage of the Personal Responsibility and Work Opportunity Reconciliation Act in August of 1996. Welfare caseloads have dropped substantially, from 5.5% of the total U.S. population in 1994 to 2.1% in June 2000.[1] Many former welfare recipients have entered the workforce, and poverty has fallen among children overall from 1993 to 1999.

But these developments shroud many disturbing realities for millions of current and former welfare recipients. Most former welfare recipients are not working full-time or full-year. Most are earning between $6.00 and $8.00 per hour (Acs and Loprest 2001; Administration for Children and Families and Office of Planning Research and Evaluation 2000; Brauner and Loprest 1999; Freedman et al. 2000; Loprest 1999; Loprest 2001; Parrott 1998), a wage insufficient to enable them to provide for their families. And although the poverty rate has declined overall, it has increased among working families,

[1] These data are available at http://www.acf.dhhs.gov/news/stats/6097tf.htm.

particularly those headed by single mothers. For those families that were already poor, poverty in the last several years has deepened (Primus and Greenstein 2000).

In order to review all of the evidence available to us , we must first be clear about the stated goals of welfare reform and how we measure its success. Caseload reduction is not an adequate measure of success, nor is the proportion of former welfare recipients who are employed "at any time" after leaving welfare. We must look behind these numbers to see if how families fare after leaving welfare.

Welfare families are, by definition, mostly headed by single mothers. The criterion for evaluating welfare reform's success should be whether these mothers are able to find and maintain stable employment that pays enough for them to achieve a safe and decent standard of living for their families.

The strong economy caused caseload to fall, but not evenly

Welfare caseloads fell over the second half of the 1990s, but this was due in large part to the strong economy. Further, caseloads did not fall uniformly: big cities are now left with a larger share of welfare recipients.

The PRWORA was implemented during the longest boom in post-war history. Researchers have found that 40 to 80 % of the fall in caseloads may be attributable to the boom, rather than the policy reforms. (See Council of Economic Advisors (1998); Wallace and Blank (1998); Ziliak, et al (1997) for a thorough review of this literature.) This has important implications for our thinking about TANF reauthorization as the US economy slides into recession. Strong labor demand played an important role in creating

jobs for welfare recipients to move into; weakened labor demand in the future may make it more difficult for former welfare recipients to find or maintain employment.

Welfare caseloads are now increasingly concentrated in America's cities (Brookings Institution 1999). As of 1999, nearly 60 % of all welfare cases were in 89 large urban counties that accounted for only 33 % of the U.S. population. This is an increase of 10 %age points since 1994. As a result, ten urban counties now account for roughly one-third of all U.S. welfare cases (Katz and Allen 2001).

The drop in welfare caseloads is also not uniform across states. Between 1993 and 1999, caseloads in Oklahoma, Florida, Colorado, West Virginia, Mississippi, Wisconsin, Idaho, and Wyoming fell by 70 % or more. However, caseloads in New Mexico, Hawaii, Rhode Island,, New York, Nebraska, Alaska, Vermont, California, and the District of Columbia fell by less than 40 . California and New York, which accounted for 17% and 9% of the nation's caseloads, respectively, in 1993, accounted for 22% and 12% of caseloads in 1999 (Administration for Children and Families and Office of Planning Research and Evaluation 2000).

The block grant structure implemented as a part of PRWORA may suit some states and communities better than it does others. As the distribution of welfare recipients becomes more concentrated, we must alter our allocation of funds accordingly.

Many (but not all) former welfare recipients are now working but few are escaping poverty

Across the country, between 40 and 70 % of all former welfare recipients are working. Work has increased among welfare recipients and welfare leavers. In fiscalyear

1994, only 8 % of TANF adults were employed while receiving assistance. In fiscal year 1999, however, 28 % were employed (Strawn, Greenberg, and Savner 2001). This is consistent with the fact that labor force participation has increased among single mothers (Blank and Schmidt 2000). Labor force participation increased by 9.6 percentage points among single mothers between 1989 and 2000, but increased much more slowly among married women. Further, women with a high-school degree increased their labor force participation by 6 % over this period. Labor force participation remained relatively constant for higher-skilled women.

A single parent with two children needs about $30,000 to afford the basic necessities of life (Boushey et al. 2001). This is more than double the federal poverty line. Among former welfare recipients, however, mean earnings are only between $10,000 and $14,000 annually. This is often lower than the poverty line of $13,133 for a family of three of in 1998 (Strawn, Greenberg, and Savner 2001) (when most of these surveys tabulated their data) and well below the amount a family needs to purchase adequate housing, food, health care, child care, and other basic necessities.

Most of the research on what has happened to welfare leavers looks at leavers during the late 1990s. A few examples shows the limited range of results:

- In New York City, a sample of 569 cases from 6,092 cases closed in November of 1997 yielded 126 cases with valid phone numbers. Of those 126 surveyed, 58% reported that they were supporting their families mainly through work. The median wage among respondents was $7.50 per hour. Thirty-seven percent of respondents had incomes above the poverty line.

- In Maryland, a study using administrative data from government programs on welfare, child support, and unemployment insurance, found that 51 % of former welfare recipients had positive earnings in the quarter after leaving welfare. Average wages for those working were $2,384 in the first quarter after leaving welfare and $2,439 in the second quarter, which annualizes to over $9,500, leaving the average family far below the poverty line.
- In South Carolina, a study utilizing phone interviews and home visits for a randomly selected group of closed cases found that 65 % were employed at the time of interview, earning an average hourly wage of $6.
- In Washington state, a survey of those leaving TANF between April and August 1998 found that 71 % of former recipients were employed with hourly wages averaging $8. Workers worked an average of 36 hours per week.

As former welfare women enter the labor market, the implicit hope of the PRWORA is that they will eventually climb the job ladder. From prior research, we know that wage profiles for less-educated workers remain stagnant, even if earnings profiles slope upward. Most studies find that wages increase between 1% and 2.6% per year for low-skilled workers (Burtless 1995; Card, Michalopoulos, and Robins 1999; Moffitt and Rangarajan 1989).[2] Less-educated workers experience little wage growth while working for the same employer and only limited gains – far less meaningful than for more-educated workers – when moving to a new employer (Connolly and Gottschalk 2000). A

[2] The exception is Gladden and Taber (2000) who find that once labor market experience is taken into account appropriately, there are not large differences in earnings growth between low skill and medium skilled workers, despite differences in wage levels.

substantial proportion of workers actually experience real declines in wages while working for the same employer or after moving to a new employer (Gottschalk 2000).

Poverty and hardships have not been reduced among the kinds of families most affected by welfare reform

Recent data show that poverty has declined overall, although it has deepened for those who remain poor and has increased among "working families". Most former welfare recipients do not earn wages that lift them above the poverty line: only 29 % of those with earnings who had been on welfare in the previous year had wages above the official poverty line in 1998 (Sherman et al. 1998).

Although poverty was lower among almost every demographic group in 1999, it increased among single, working mothers. Before counting the benefits of government safety net programs, the poverty rate for people in working single-mother families fell from 35.5% in 1995 to 33.5% in 1999 (the latest year for which data is currently available). However, after counting government benefits and taxes, the poverty rate among people in working single-mother families was 19.4% in 1999, virtually the same as in 1995. The authors of a recent report on poverty conclude:

> ... after 1995, declines in the effectiveness of the safety net in reducing poverty among families headed by working single mothers offset the effect of the improving economy, halting the reduction of the poverty rate for these families and pushing those who remained poor deeper into poverty (Porter and Dupree 2001).

Further, people in families headed by working single mothers who were poor in 1999 are deeper in poverty than such families were in 1995. This is yet another piece of evidence

indicating that former welfare mothers are having difficulties finding employment that helps them to escape poverty.

Many former welfare families are as likely to experience hardships after leaving welfare. Over one-third of families on welfare went without housing, food, or necessary medical care, compared to 29 8% of families who left welfare over a year ago. Families with a full-time worker were only slightly less likely to experience one or more of these hardships compared to current welfare families. Nearly one-quarter % of families who left welfare more than a year ago and had a full-time worker went without housing, food, or necessary medical care, while 29.9% of those in families that left welfare more recently did so (Boushey and Gundersen 2001).

Single parents should be able to adequately support their families

Much of the PRWORA explicitly addressed the high rates of single parenthood among poor families. Since the passage of this legislation, teen pregnancy rates have fallen. However, research cannot substantiate that this was due to changes in welfare policy, rather than other causes. What we do know is that 90 % of former welfare recipients are mothers, and that the kinds of employment and earnings they can garner in the labor market will dictate our success as helping them transition from welfare-to-work.

During the 1980s, the gender wage gap narrowed substantially. The gap closed because, while real wages for both women and men fell, they fell more for men. As the economy heated up during the 1990s, however, the gender wage gap stopped narrowing and began stagnating. Right now, the gender wage ratio (that is, women's wages as a

%age of men's) among full-time workers is 81 %. The ratio is even lower for parents: mothers' earnings amount to less than two-thirds of fathers' earnings.

This gender wage gap is not due to differences in the skills and attributes that women and men bring to the labor market. Among high-school educated, full-time workers, the gender wage gap is .79, the same as among college-educated full-time workers. Further, women are now more likely than men to attend and graduate from college. Pay inequality is due to something more than the attributes that women and men bring to the labor market. The pay gap remains, however, partly because of the high degree of segregation of women and men into different types of jobs.

Eliminating the gender pay gap would go a long way to helping families make ends meet. If single working mothers earned as much as comparably skilled men, their family incomes would increase by nearly 17 %, and their poverty rates would be cut in half, from 25.3 % to 12.6 %.

Work supports

Much has been made of the increased attention to work supports in the PRWORA and in other areas related to welfare reform. The major areas of reform have been child care, health care, the EITC, food stamps, and housing.

The good news is that Congress has allocated more money to childcare programs. The total federal dollars available for child care have nearly doubled since the early 1990s; states may now use TANF monies for childcare expenditures. However, many problems remain. Only 12 % of eligible families receive assistance through the Child Care and Development Fund (Layzer and Collins 2001; U.S. Department of Human

Services 1999). Federal and state programs reach very few families with child care needs. Tax credits are too low to help families with child care costs. Head Start serves less than half of eligible children (Blank, Schulman, and Ewen 1999). Furthermore, child care quality is inadequate due to low pay for child care workers. Despite increased federal funding on child care over the past decade, wages for child care workers stagnated, resulting in continued problems with recruiting and retraining qualified teachers (Whitebrook, Howes, and Phillips 1998).

Many families who have moved from welfare-to-work cannot afford health care. If a working-poor family is not offered employer-based health care or cannot afford the plan offered, in most cases it cannot rely on governmental assistance for health coverage. In the typical state, a parent in a family of three earning over $7,992 (59% of the poverty guideline) is not eligible for Medicaid coverage (Guyer and Mann 1999). According to our family budget research, if a two-parent, two-child family tried to purchase a non-group health insurance plan, it would cost an average of $350 a month. Former welfare recipients—even those with a full-time worker in their family—have high rates of health-related hardships. They experience levels of health hardships similar to those of welfare families, and higher than those of poor families overall (Boushey and Gundersen 2001). Although the Children's Health Insurance Program (CHIP) has been expanded, more than 6 million children are eligible, but are not enrolled in either CHIP or Medicaid.[3]

The welfare reform legislation did not recognize the large role of housing in the budgets of poor families. A recent report found that few of the states studied either had a separate housing allowance provided with connection to TANF or a specific provision for

[3] These data are available at http://www.childrensdefense.org/hs_genhlth_faqs.htm.

housing costs in the TANF benefit (Wright, Ellen, and Schill 2001). The report concludes that, "as a rule, the states reviewed in this study made no special provision for how sanctions imposed on clients for noncompliance with a TANF eligibility requirement would affect any payments made through TANF for housing costs" (Wright, Ellen, and Schill 2001, p. 46). Families are experiencing high rates of housing hardships as a result: among parents who recently left welfare, 28% report being unable to pay housing or utility bills.[4]

Conclusion

- There is some good news, but for millions of current and former welfare recipients, economic well-being has not improved.
- Falling caseloads are linked to the good economy. This progress will soon reverse course.
- Even during the latter years of the boom, many (most?) families were unable to maintain stable, full-time employment.
- Wages are too low to enable families to escape poverty and avoid material hardships.
- Contractions of the safety net lead to higher poverty among people in working single mother families.
- We have made progress on implementing work supports, but we have very far to go.
- It's unclear how possible increases in caseloads as the economy contracts will affect work support programs.

---

[4] These data are available at http://www.childrensdefense.org/fair-start-welfaretowhat_2000.htm.

References

Acs, Gregory, and Pamela Loprest. 2001. *Initial Synthesis Report of the Findings from ASPE's "Leavers" Grants*. Washington, DC: The Urban Institute. <http://aspe.hhs.gov/hsp/leavers99/synthesis01/>

Administration for Children and Families, and Office of Planning Research and Evaluation. 2000. *Temporary Assistance for Needy Families (TANF) Program: Third Annual Report to Congress*. Washington, DC: U.S. Department of Health and Human Services. <http://www.acf.dhhs.gov/programs/opre/annual3.doc>

Blank, Rebecca, and Lucie Schmidt. 2000. "Work and Wages". Paper presented at The New World of Welfare: Shaping a Post-TANF Agenda for Policy, Washington, DC, December.

Boushey, Heather, and Bethney Gundersen. 2001. *Just Barely Making It: Hardships Experienced after Welfare*. Washington, DC: Economic Policy Institute.

Boushey, Heather, Bethney Gundersen, Chauna Brocht, and Jared Bernstein. 2001. *Hardships in America: The Real Story of Working Families*. Washington, DC: Economic Policy Institute.

Brauner, Sarah, and Pamela Loprest. 1999. *Where Are They Now? What States' Sutdies of People Who Left Welfare Tell Us*. Washington, DC: The Urban Institute.

Brookings Institution. 1999. *The State of Caseloads in America's Cities: 1999*. Washington, DC: Brookings Institution, Center on Urban and Metropolitan Policy.

Connolly, Helen, and Peter Gottschalk. 2000. "Returns to Tenure and Experience Revisited: Do Less Educated Workers Gain Less from Work Experience?",

Council of Economic Advisors. 1998. *Technical Reports: Explaining the Decline in Welfare Receipt, 1993-1996*. Washington, DC: Council of Economic Advisors.

Freedman, Stephen, Daniel Friedlander, Gayle Hamilton, JoAnn Rock, Marisa Mitchell, Jodi Nudelman, Amanda Schweder, and Laura Storto. 2000. *Evaluating Alternative Welfare-to-Work Approaches: Two-Year Impacts for Eleven Programs*. Washington, DC: U.S. Department of Health and Human Services and U.S. Department of Education.

Gladden, Tricia, and Christopher Taber. 2000. Wage Progression Among Less Skilled Workers. In *Finding Jobs: Work and Welfare Reform*, edited by D. Card and R. Blank.

Gottschalk, Peter. 2000. "Wage Mobility Within and Between Jobs: How Prevalent is Downward Mobility?". Paper presented at Low-Wage Employment, Earnings Mobility and the Eurpoean-American Employment Gap, University of Aberdeen, November 17-18.

Katz, Bruce, and Katherine Allen. 2001. Cities Matter Shifting the Focus of Welfare Reform. *The Brookings Review* Vol. 19, No. 3, pp. 30-3.

Loprest, Pamela. 1999. *How Families that Left Welfare are Doing: A National Picture*. Washington, DC: Urban Institute. <http://newfederalism.urban.org/html/series_b/anf_b1.html>

Loprest, Pamela. 2001. *How Are Families that Left Welfare Doing? A Comparison of Early and Recent Welfare Leavers*. Vol. Series B. Washington, DC: The Urban Institute.

Parrott, Sharon. 1998. *Welfare Recipients Who Find Jobs: What Do We Know About Employment and Earnings?* Washington, DC: Center on Budget and Policy Priorities.

Porter, Kathryn H., and Allen Dupree. 2001. *Poverty Trends for Families Headed by Working Single Mothers: 1993 to 1999*. Washington, DC: Center on Budget and Policy Priorities.

Primus, Wendell, and Robert Greenstein. 2000. *Analysis of Census Bureau's Income and Poverty Report for 1999*. Washington, DC: Center on Budget and Policy Priorities. <http://www.cbpp.org/9-26-00pov.htm>

Sherman, Arloc, Cheryl Amey, Barbara Duffield, Nancy Ebb, and Deborah Weinstein. 1998. *Welfare to What: Early Finding on Family Hardship and Well-Being*. Washington, DC: Children's Defense Fund.

Strawn, Julie, Mark Greenberg, and Steve Savner. 2001. *Improving Employment Outcomes Under TANF*. Washington, DC: Center for Law and Social Policy.

Wallace, Geoffrey, and Rebecca Blank. 1998. "What Goes Up Must Come Down? Explaining Recent Changes in Public Assistance Caseloads". Paper presented at Welfare Reform and Macroeconomy, Washington, DC, November 19-20.

Wright, David J., Ingrid Gould Ellen, and Michael H. Schill. 2001. *Community Development Corporations and Welfare Reform: Linkages, Roles, and Impacts*. Albany, NY: Rockefeller Institute Press.

Ziliak, James, David Figlio, Elizabeth Davis, and Laura Connolly. 1997. "Accounting for the Decline in AFDC Caseloads: Welfare Reform or Economic Growth?", 1151-97 1151-97. Madison, WI.

Committee on Education and the Workforce

Witness Disclosure Requirement – "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name: Heather Boushey

	Yes	No
1. Will you be representing a federal, State, or local government entity? (If the answer is yes please contact the Committee).		✓

2. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1998:
None.

	Yes	No
3. Will you be representing an entity other than a government entity?	✓	

4. Other than yourself, please list what entity or entities you will be representing:
Economic Policy Institute

5. Please list any offices or elected positions held and/or briefly describe your representational capacity with each of the entities you listed in response to question 4:
None.

6. Please list any federal grants or contracts (including subgrants or subcontracts) received by the entities you listed in response to question 4 since October 1, 1998, including the source and amount of each grant or contract:
FY 99 - none
FY '00 US Trade Deficit Review Commission $32,083
FY 99 Dept. of Labor, $58,664; Environmental Protection Agency, $18,527
FY 98 Dept. of Labor, $63,102; Environmental Protection Agency, $60,000

	Yes	No
7. Are there parent organizations, subsidiaries or partnerships to the entities you disclosed in response to question number 4 that you will not be representing? If so, please list:		✓

Signature: Heather Boushey Date: 9/18/01

Please attach this sheet to your written testimony.

APPENDIX G – WRITTEN STATEMENT OF DR. SANFORD SCHRAM, GRADUATE SCHOOL OF SOCIAL WORK AND RESEARCH, BRYN MAWR COLLEGE, BRYN MAWR, PENNSYLVANIA

Written Testimony of Sanford F. Schram Before the U.S. House of Representatives, Committee on Education and the Workforce, Subcommittee on 21st Century Competitiveness, September 20, 2001

Dear Chairman McKeon, Congresswoman Mink, and other committee members, thank you for giving me the opportunity to testify this morning. My name is Sanford Schram and I am a Professor in the Graduate School of Social Work and Social Research at Bryn Mawr College, in Bryn Mawr, Pennsylvania.

Five years after the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, that law is now widely heralded as a success. While some aspects of the law have worked for some families, many aspects have not--so much so that I would suggest that the much-heralded claim that welfare reform is a success is overrated and very much premature. A good part of the problem stems from the fact that public discourse has in a questionable way shifted the frame of reference from poverty to dependency. (See Schram and Soss, 2001). As a result, reductions in welfare caseloads are misleadingly seen as the primary measure of success when poverty remains the pressing issue.

In addition, numerous claims have been made for the success of welfare reform that are questionable at best. There are claims that welfare reform has reduced poverty and done other wonderful things for families. Yet, I would suggest that important questions need to be asked about these claims before we can develop a clear picture of where welfare reform has taken us. Taking a critical eye to existing research helps us pose these questions.

First, contrary to numerous claims, it is not even clear from available research that welfare reform is the major reason for the dramatic declines in caseloads that have occurred since the early 1990s. The economic growth of the 1990s may very well have had a much greater impact in reducing the numbers of welfare recipients and reform of welfare policy may instead have had only a marginal effect. In addition, where welfare reform has had an effect, it has most often been where the economy has created opportunities for people to forego needing assistance. Lastly, welfare reform's limited contribution to reducing caseloads has included forcing people off welfare when they were not ready to support their families on their own. Therefore, for several reasons, the caseload declines that have occurred should not be seen as primarily the result of welfare reform assisting people to leave welfare. This focus has been overemphasized and exaggerates the extent to which reform is helping welfare recipients leave welfare and achieve self-sufficiency.

Second, there is no real evidence that welfare reform has done much to reduce poverty. Trend line data that is offered by some analysts is misleadingly confusing correlation with causation. While poverty rates overall have declined during the years of welfare reform, it is not clear that this is the result of welfare reform. More to the point, as a recent report from the Center on Budget and Policy Priorities indicates, "Among people in families headed by working single mothers, there was no progress in reducing poverty between 1995 and 1999, despite an expanding economy" (Porter and Dupree, 2001). In fact, it very well may be the case that welfare reform has erased what poverty reduction the economy produced among single mothers with children. While economic growth in the 1990s reduced poverty among single mothers, welfare reform increased

poverty among this group. The net effect has been that poverty levels for single mothers with children have not changed much at all, even as poverty has declined in the population overall. While economic growth was reducing poverty for single mothers with children, welfare reform replaced welfare receipt with low-wage jobs for many of them and no jobs for still others. In addition, welfare reform has resulted in the many families who now go without welfare also not receiving needed entitlements for food stamps, medical assistance and child care. As a result, welfare reform has for many families resulted in net reductions in income transfers from government, thereby reducing their incomes and erasing the gains in incomes that have come from taking paid employment.

Third, the overemphasis on people leaving welfare has led to insufficient attention being given to the hardship suffered by families who have left welfare. Studies of "leavers," as they are called, indicate that most are working, but not full time, and many others, as much as a third, are not working at all and are without consistent income support. Many these "leavers," as many as half, are among the families that end up not getting needed health insurance, food stamps and child entitlements for which they remain eligible. Therefore, low-wages, underemployment and other economic factors are combining with bureaucratic disentitlement to make the transition from welfare extremely painful for many families. As a result, the overwhelming majority of these leavers remain poor several years after going off public assistance.

Many families, over 500,000 by 1999, did not really leave welfare on their own accord but instead were forced off, sanctioned, for failure to conform to new, strict requirements. These families are more likely to be African-American and do less well compared to other leavers.

Whites have been leaving welfare at higher rates than nonwhites, and as a result, the racial composition of the remaining welfare population is changing to become increasingly nonwhite. States with higher proportions of their welfare population constituted by African-Americans are more likely to impose more aggressive versions of new get-tough welfare reforms, including sanctions, time limits for the receipt of aid, and family cap policies that deny additional aid to families for a child born while the family is already receiving assistance.

Children's well-being is likely to decline in those families who have seen their incomes decline under welfare reform. Pushing single mothers prematurely into the paid labor market and requiring work outside the home is in many cases undermining the ability of these mothers to effectively fulfill their child-rearing responsibilities.

Therefore, a closer examination of the research on welfare reform raises troubling questions about its effects and calls into question its supposed success. Welfare reform has not been shown to have played a major role in reducing welfare dependency; it is being shown to be increasing poverty. It is imposing new hardships and introducing new forms of discrimination.

There is a need to review available research more critically and to think about how to revise the new welfare policy regime to redress these problems. I provide specifics below.

- Between 1995 and 1999, a strong economy reduced poverty by about 2 percent. Reductions in government transfer payments during this period, however, eliminated almost all of the anti-poverty effectiveness of economic

growth. Prior to welfare reform, between 1993 and 1995, government transfer payments had produced the opposite effect, reducing poverty among American families (Porter and Dupree, CLASP, August, 2001).

- About one-third of people who have left welfare say they have had to cut the size of meals or skip meals because they did not have enough food in the house (Loprest, Urban Institute, 2001).

- Over 40 percent of welfare leavers report that they have had trouble paying housing and utility bills since leaving welfare (Loprest, Urban Institute, 2001).

- Since welfare reform was enacted in 1996, and despite a strong economy, there have been sharp increases in the rates at which single mothers with children have had to rely on food pantries and homeless shelters (Eisinger, Focus, 1999).

- An estimated one-third to one-half of all families leaving welfare for work do not receive medical assistance, food stamps, or child care to which they are entitled (Zedlewski, Urban Institute, 2001; Loprest, Urban Institute, 2001).

- Between 1997 and 1999, over 500,000 families were sanctioned off welfare and these families have been more likely to experience poverty than have other families leaving welfare. On a variety of measures, families who have

been sanctioned off welfare tend to fare worse than other leavers (Goldberg, CBPP, 2001; Lower-Basch, HHS, 2000).

- States in which African Americans make up a higher proportions of recipients are statistically more likely to adopt full-family sanctions (Soss, Schram, Vartanian and O'Brien, AJPS, 2001). African American recipients are statistically more likely than white recipients to participate in a TANF program that employs full-family sanctions (Soss, Schram, Vartanian and O'Brien, AJPS, 2001). And African-American families have, in fact, been sanctioned more frequently than their white counterparts (Lower-Basch, HHS, 2000).

- States in which African Americans make up a higher proportions of recipients are statistically more likely to adopt family cap policies (Soss, Schram, Vartanian and O'Brien, AJPS, 2001). African American recipients are statistically more likely than white recipients to participate in a TANF program that employs a family cap policy (Soss, Schram, Vartanian and O'Brien, AJPS, 2001).

- States in which African Americans make up a higher proportions of recipients are statistically more likely to adopt time limits shorter than the federal government requires (Soss, Schram, Vartanian and O'Brien, AJPS, 2001). Approximately two-thirds of all families that will exhaust their allowable time

on welfare are families of color (Duncan, Harris and Boisjoly, Social Service Review, 2000).

- About twenty-five percent of former welfare recipients have no paid employment and have either no partner or a partner who is unemployed (Loprest, Urban Institute, 2001).

- Under welfare reform, single mothers have been forced to work at unsafe and hazardous job sites and to be subject to sexual harassment and racial discrimination (Fine, Womensenews, 2001; Delgado and Gordon, 2001; Gooden, 2001).

- Most single mothers who leave welfare for work do not earn enough in wages to lift their families out of poverty, even several years after leaving welfare. Fifty-five percent remain poor one year after leaving welfare; 49 percent three years after and 42 percent five years after. Only about one-third of all leavers have incomes above 150% of the poverty line five years after going off welfare. (Cancian and Myers, Social Work Research, 2000).

- Adolescent children of single mothers who have left welfare for work have school performance rates below those of other low-income children. Early studies of families in welfare-to-work programs in Florida, Minnesota and Canada have found unexpected evidence that their adolescent children have

lower academic achievement and more behavioral problems than the children of other welfare households. The researchers hypothesized that parents in the programs might have less time and energy to monitor their adolescents' behavior once they were employed; that under the stress of working, they might adopt harsher parenting styles; or that the adolescents' assuming more responsibilities at home when parents got jobs was creating too great a burden. (Brooks, Hair and Zaslow, Child Trends, 2001).

- Under welfare reform, when families lost income regardless of the reason, children were more likely to experience bad outcomes such as increased school suspensions, behavior and mental health programs including symptoms of depression, an increase in the number of children removed from their mother's care, increased enrollment in special classes for behavioral or emotional problems, and health problems such as increased trips to the emergency room. In programs where both employment and income were increased, the impact on children was more positive (Sherman, Children's Defense Fund, 2001).

- Most single mothers on welfare who are eligible for the exemption from cooperating in establishing paternity are not made aware of this option (Soss and Keiser, 2000).

A critical review of welfare reform indicates: (1) it has failed to reduce poverty (even during a period of economic growth); (2) it has lowered the disposable incomes of single mothers with children; and (3) created unnecessary hardships and inequities among poor families. The existing law must be changed to ensure that it contributes to a just and effective process of poverty reduction.

Reauthorization for welfare reform creates an opportunity to address these problems, beginning with shifting the focus from concentrating on reducing the numbers of families receiving public assistance to focusing welfare policy more directly on helping families escape poverty.

REFERENCES

Brooks, Jennifer L., Elizabeth C. Hair, Martha J. Zaslow. 2001. *Welfare Reform's Impact on Adolescents: Early Warning Signs.* Washington DC: Child Trends, Research Brief #2001-05, July: http://www.childtrends.org/pdf/WelfareEditBrief.pdf.

Cancian, Maria and Daniel R. Meyer. 2000. "Work after Welfare: Women's Work Effort, Occupation, and Economic Well-Being." *Social Work Research* 24, 2 (June): 69-86.

Delgado, Gary and Rebecca Gordon. 2001. "Racial Discrimination in the Implementation of Welfare Reform." In *Race, Welfare and the Politics of Reform.* Sanford F. Schram, Joe Soss, and Richard Fording, eds. Ann Arbor: University of Michigan Press. (forthcoming).

Duncan, Greg J., Kathleen Mullan Harris and Johanne Boisjoly. 2000. "Time Limits and Welfare Reform: New Estimates of the Number and Characteristics of Affected Families." *Social Service Review* 74, 1 (March): 55-75.

Eisinger, Peter. 1999."Food Pantries and Welfare Reform: Estimating the Effect," Focus 20, 3 (Fall): 23-30: http://www.ssc.wisc.edu/irp/pubs/foc203.pdf.

Fine, Mary Jo. 2001. "Welfare-to-Work Moms Sue for Sex, Race Harassment." *Womensenews*. August 13: http://www.womensenews.org/article.cfm/dyn/aid/240/context/archive.

Goldberg, Heidi. 2001. "A Compliance-Oriented Approach to Sanctions in State and County TANF Programs—Summary." Washington DC: Center on Budget and Policy Priorities, March 28: http://www.cbpp.org/3-28-01tanf.pdf.

Gooden, Susan. 2001. "Using Performance Measures to Promote Racial Equality under TANF." In *Race, Welfare and the Politics of Reform*, Sanford F. Schram, Joe Soss, and Richard Fording, eds. Ann Arbor: University of Michigan Press. (forthcoming).

Loprest, Pamela. 2001. *How Are Families That Left Welfare Doing? A Comparison of Early and Recent Welfare Leavers*. Washington DC: Urban Institute, "New Federalism: National Survey of America's Families" Series # B-36: http://newfederalism.urban.org/html/series_b/b36/b36.html.

Lower-Basch,Elizabeth. 2000. *"Leavers" and Diversion Studies: Preliminary Analysis of Racial Differences in Caseload Trends and Leaver Outcomes*. Washington DC: U.S. Department of Heath and Human Services, Office of the Assistant Secretary for Planning and Evaluation, December: http://aspe.hhs.gov/hsp/leavers99/race.htm.

Porter, Kathryn and Allen Dupree. 2001. *Poverty Trends for Families Headed by Working Single Mothers, 1993 to 1999*. Washington DC: Center on Budget and Policy Priorities, August 16: http://www.cbpp.org/8-16-01wel.htm.

Schram, Sanford F. and Joe Soss. 2001. "Success Stories: Welfare Reform, Policy Discourse, and the Politics of Research." *The Annals of the American Academy of Political and Social Science* 577 (September): 49-65.

Sherman, Arloc. 2001. How Children Fare in Welfare Experiments Appears to hinge on Income. Washington DC: Children's Defense Fund, August 22: http://www.childrensdefense.org/release010822.htm#report.

Soss, Joe. Sanford F. Schram, Thomas P. Vartanian, and Erin O'Brien. 2001. "Setting the Terms of Relief: Explaining State Policy Choices in the Devolution Revolution." *American Journal of Political Science* 45, 2 (April): 378-95.

Zedlewski, Sheila, assisted by Amelia Gruber. 2001. *Former Welfare Families Continue to Leave the the Food Stamp Program*. Washington D.C.: The Urban Institute, "New Federalism: National Survey of America's Families" Series # B-33: http://newfederalism.urban.org/html/series_b/b33/b33.html.

Committee on Education and the Workforce

Witness Disclosure Requirement – "Truth in Testimony"
Required by House Rule XI, Clause 2(g)

Your Name: Sanford Schram		
1. Will you be representing a federal, State, or local government entity? (If the answer is yes please contact the Committee).	Yes	No X
2. Please list any federal grants or contracts (including subgrants or subcontracts) which you have received since October 1, 1998: — None.		
3. Will you be representing an entity other than a government entity?	Yes	No X
4. Other than yourself, please list what entity or entities you will be representing: — None.		
5. Please list any offices or elected positions held and/or briefly describe your representational capacity with each of the entities you listed in response to question 4: — None.		
6. Please list any federal grants or contracts (including subgrants or subcontracts) received by the entities you listed in response to question 4 since October 1, 1998, including the source and amount of each grant or contract: — None.		
7. Are there parent organizations, subsidiaries, or partnerships to the entities you disclosed in response to question number 4 that you will not be representing? If so, please list: — None.	Yes	No X

Signature: Sanford F. Schram Date: 9/20/04

Please attach this sheet to your written testimony.

APPENDIX H -- SUBMITTED FOR THE RECORD, RESPOSE BY DR. RON HASKINS, SENIOR FELLOW, THE BROOKINGS INSTITUTE, WASHINGTON, DC, TO CHAIRMAN HOWARD P. "BUCK" McKEON AND RANKING MEMBER PATSY T. MINK, SUBCOMMITTEE ON 21st CENTURY COMPETITIVENESS, COMMITTEE ON EDUCATON AND THE WORKFORCE, U.S. HOUSE OF REPRESENTATIVES, WASHINGTON, D.C.

THE BROOKINGS INSTITUTION
1775 Massachusetts Avenue, NW • Washington, DC 20036-2188
Tel: 202-797-6000 • Fax: 202-797-6004
www.brookings.edu

October 5, 2001

The Honorable Howard P. McKeon and
The Honorable Patsy T. Mink
Committee on Education and the Workforce
B-346 Rayburn House Office Building
Washington, DC 20515

Dear Chairman McKeon and Ranking Member Mink:

Thanks for inviting me to testify before your Subcommittee on September 20. I know that your Subcommittee will play an exceptionally important part in the debate over reauthorization of the Temporary Assistance for Needy Families (TANF) program. Thus, your personal views are important since both of you will undoubtedly play leading roles in the debate.

For that reason, I wanted to provide information to both of you on three matters that are of special importance to the reauthorization debate. Of course, I am a Republican and not entirely without bias, but I am going to simply present and interpret numbers that come directly from government agencies.

First, you might recall that in my testimony I summarized U.S. Census Bureau data on poverty. My testimony, which included several charts based on Census Bureau poverty data, showed that:

- since 1993 – and simultaneously with the largest decline in the cash welfare rolls in the nation's history – child poverty has fallen further and faster than at any time since the 1960s;
- using a Census measure of poverty that includes income from the Earned Income Tax Credit (EITC), food stamps, and a few other in-kind (non-cash) benefits in measuring total family income, child poverty declined more than twice as much during the economic expansion of the 1990s as during the economic expansion of the 1980s;
- the percentage of children in deep poverty (half the poverty level or about $7,000 income per year) declined sharply in both 1998 and 1999 to the lowest level ever; and
- black child poverty declined more in 1997 and 1999 than in any previous years and at the end of 1999 was the lowest ever.

Since your hearing, the Census Bureau has released poverty data for the year 2000. The 2000 data strengthen all the points made above. Child poverty fell by half a percentage point to its lowest level since the 1960s, child poverty using the broad measure that income EITC and food stamp income fell slightly, deep child poverty fell substantially, and black child poverty fell by a huge amount and again broke the record for its lowest level ever. The major reason for these declines in poverty was the dramatic increase in earnings for mothers at the bottom of the income distribution, in all likelihood a reflection of the fact that so many of these mothers now have jobs. In addition, the number of children living in female-headed families fell again in 2000, providing additional evidence that while work by poor and low-income mothers is increasing, nonmarital births are holding steady or declining and marriage and cohabitation are increasing modestly.

The second issue I wanted to review with you is Mrs. Mink's well-placed concern that Hawaii and a few other states may have many families that hit the 5-year time limit. I have obtained data on the TANF caseload in Hawaii. These data show that very few cases have been on the caseload every month since Hawaii began implementation of the TANF program. In recent quarters, the percentage of the caseload that has been on the rolls every month since implementation of the program in 1997 declined from 5.5 percent to 3.7 percent. There is no reason to doubt that the percentage of cases that have been on welfare every month will continue to decline. Thus, by the time the five-year limit hits in Hawaii, less than 3 percent of the caseload will have been on the rolls for five-years. Because states can exempt up to 20 percent of their caseload from the time limit, Hawaii will be able, if it so chooses, to exempt every case from the five-year time limit. I have talked with several other state welfare directors and with officials at HHS and everyone agrees that very few cases will hit the time limit.

The third reason for my letter is that I am very concerned that several members of your Subcommittee stated that the numbers presented by the witnesses during your hearing were contradictory and confusing. I strongly disagree with the view that the data we have on effects of welfare reform are contradictory. On the contrary, I am amazed by the clarity of the numbers. Any balanced reading of the numbers shows that since 1993 there has been an unprecedented decline in the cash welfare rolls, that work by poor and low-income mothers has increased to record highs, that earnings and income from the EITC of poor and low-income mothers has increased dramatically while income from cash welfare and food stamps has declined, and that every measure of child poverty has plummeted, many to their lowest level ever.

I believe that every fair-minded analyst agrees with all these summary statements. Analysts that lean a little to the left and some academic analysts that have reputations for being nonpolitical raise two issues based on these data. First, they claim that the hot economy of the 1990s and not welfare reform caused most of these positive outcomes. Second, they argue that the big increases in employment and income of mothers should have led to even greater

increases in family income and greater declines in poverty. These are both reasonable interpretations from the data. But I want to emphasize that both interpretations accept the accuracy of the numbers presented in my testimony and reviewed above.

Perhaps because of my slightly tainted political views, I disagree with both of these interpretations. The economy has been important to the wonderful trends in earnings and poverty, but the hottest economy in the world will not help mothers who stay on welfare. Mothers stayed on welfare during the booming economy of the 1980s as net employment increased by almost 20 million. Rather than leaving welfare, the rolls actually increased by over 10 percent as the economy boomed. I believe that the most straightforward interpretation of the radically different effects on low-income mothers of the economic booms of the 1980s and 1990s is that in the 1990s mothers were encouraged, cajoled, or forced, because of welfare reform, to leave welfare and take jobs. In other words, poor and low-income mothers took advantage of the hot economy of the 1990s but not the 1980s.

As for the argument that we should have made even more progress against poverty, the reason we haven't is clear. Welfare reform and increased employment have dramatically changed both the amount and composition of income for poor and low-income families. Census Bureau data, as portrayed in the two enclosed figures, show clearly that earnings and income from the EITC increased sharply after 1993 while income from cash welfare, food stamps, and other means-tested welfare programs declined. For female-headed families in the bottom fifth of earners (below about $13,000), income from earnings and the EITC increased by an amazing 153 percent between 1993 and 2000. For female-headed families in the second fifth of earners (between about $13,000 and $21,000), the increase in earnings and EITC is equally spectacular, from $5,680 in 1993 to $13,794 in 2000, an increase of 143 percent. This achievement by poor and low-income mothers is, of course, completely without precedent and shows that these mothers are getting a rapidly increasing proportion of their money the old-fashioned way – they are earning it.

However, because of the rules of means-tested welfare programs, as earnings increase, income from welfare declines. Thus, welfare income for the bottom two fifths of earners decreased by 26 percent (from $4,448 to $3,298) and 59 percent (from $6,477 to $3,841) respectively. The point being made by liberal analysts and some scholars is that if welfare income had declined less, these mothers and their children would have even more money and their poverty level would fall even more than it has.

This argument is perfectly valid. However, it would cost additional billions of dollars to implement. In addition, it will not escape your notice that the original purpose of welfare reform was precisely to increase income from earnings and reduce income from welfare. During the welfare reform debate of 1995-96, Republicans called that "reducing welfare dependency." Moreover, I have no doubt that this is the exact outcome supported by the American public.

Polls for the last 40 years have consistently shown that Americans don't mind supporting people down on their luck or helping families with children that have low earnings. But the public is consistently concerned that the poor don't do enough to help themselves. As the figures summarized here show, the poor are now doing more than ever before to help themselves. Nor will it escape your notice that Congress is providing the EITC to these families as a reward for their efforts and that EITC income helps to offset the loss of income from welfare.

Finally, I want to address a specific set of numbers discussed by other witnesses that seemed to contradict the numbers presented in the testimony given by Robert Rector and me. These numbers originate from a superb study conducted by Kathryn H. Porter and Allen Dupree of the Center on Budget and Policy Priorities. The argument made by other witnesses is that this study shows that poverty rates for single mothers with earnings has not declined much. Yet the Census Bureau data provided in my testimony showed that poverty among female-headed families with earnings has declined greatly and indeed is now far lower than ever in the past. In fact, the recent Census Bureau data showed another remarkable decline in poverty among female-headed families.

How can these two sets of numbers be reconciled? Easily. Poverty among **all** female-headed families has declined to its lowest level ever while poverty among the subgroup of female-headed families **with earnings** has declined, but not as much and not as consistently. So we're talking here about two different groups of female-headed families. My numbers were based on all female-headed families; the numbers from the Porter and Dupree study were based on just the portion of female-headed families that have earnings.

Now, to demonstrate that numbers don't lie, I would argue that the Porter and Dupree numbers upon closer inspection actually support my claim that poverty has declined so rapidly for all female-headed families because of the increase in employment and earnings induced by welfare reform. Here's why. The poverty rate for the group of female-headed families with earnings hovers around 19 or 20 percent. By contrast, the poverty rate for mothers with no earnings is between 60 and 70 percent. The great achievement of welfare reform has been to reduce the number of single mothers without earnings and to increase the number of single mothers with earnings. In short, welfare reform moved more than one million mothers from the no earnings group that has a poverty rate of 65 percent or so to the earnings group that has a poverty rate of less than 20 percent. This is the fact not mentioned in the testimony of other witnesses, although it is discussed in the original study. Thus, far from contradicting the numbers presented by Rector and me, the Porter and Dupree numbers actually support and even provide interpretive detail for our numbers.

I hope you find these additional numbers and explanations helpful. In my view, they all point to the same conclusion. The nation has a new "welfare" system based on work and work supplements like the EITC. This system has increased work, increased income, and reduced

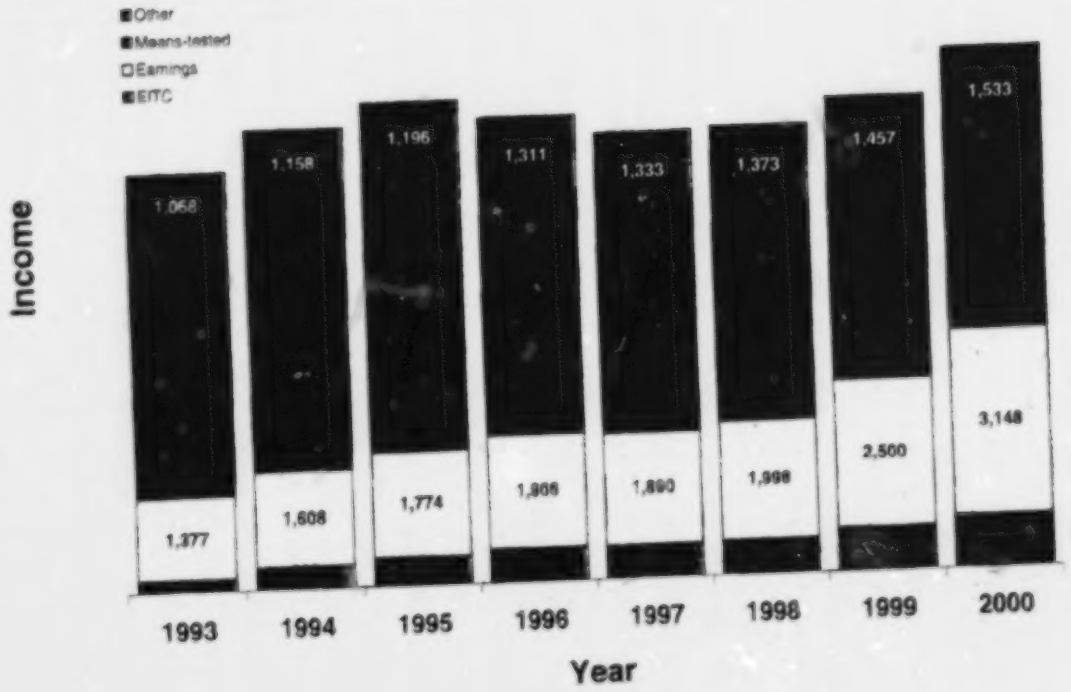
child poverty much more than the old system of welfare based on entitlements to benefits rather than work.

Respectfully,

Ron Haskins
Senior Fellow

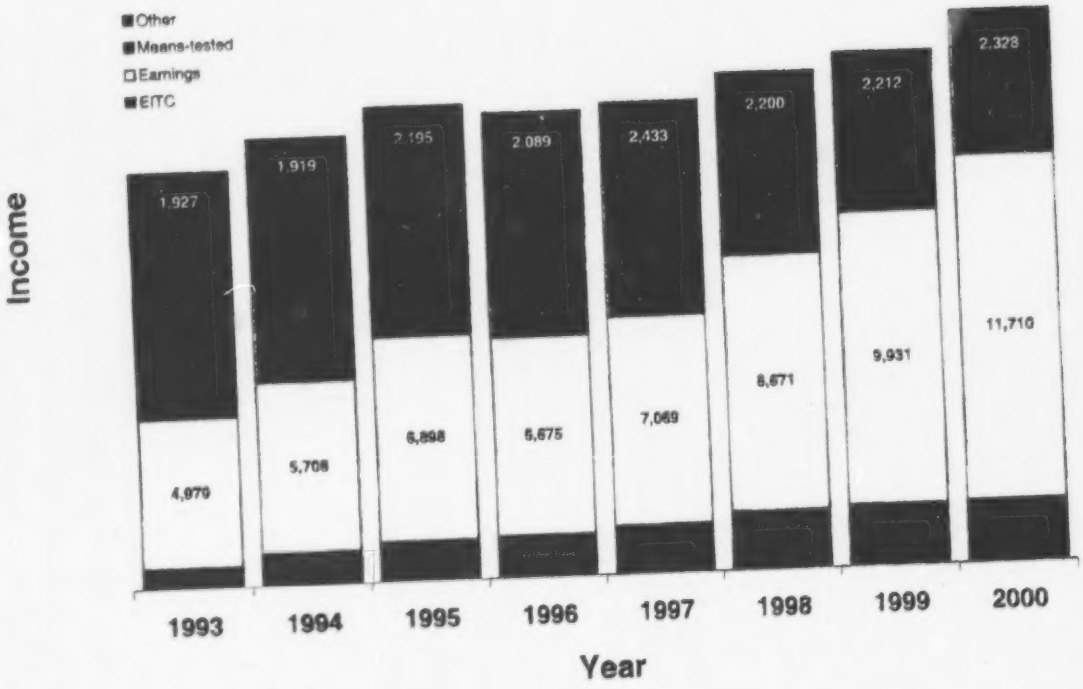
Enclosures (2)

Family Income by Source for Female Heads with Children (Bottom Fifth), 1993-2000



Source: U.S. Census Bureau

Family Income by Source for Female Heads with Children (Second Fifth), 1993-2000



Source: U.S. Census Bureau

APPENDIX I – SUBMITTED FOR THE RECORD, WRITTEN TESTIMONY SUBMITTED BY NETWORK: A NATIONAL CATHOLIC SOCIAL JUSTICE LOBBY.

WELFARE REFORM

How Do We Define Success?

2001 Report
NETWORK Welfare Reform Watch Project

Executive Summary

The Welfare Reform Watch Project was created by NETWORK, A National Catholic Social Justice Lobby, and four partners (Daughters of Charity United States Provinces, Institute of the Sisters of Mercy of the Americas, U.S. Federation of the Sisters of Saint Joseph and Pax Christi USA) immediately after the 1996 welfare reform law was implemented. The project's purpose was to examine short- and long-term effects of the legislation by looking at the real-life experiences of people living in poverty.

Over 3,000 patrons of soup kitchens, health clinics and other private emergency facilities were interviewed during three separate surveys. Results of the first two surveys, conducted in 1997 and 1998, were published in the 1999 report, *Poverty Amid Plenty: The Unfinished Business of Welfare Reform*. For this third survey, 893 people were interviewed in emergency facilities in ten states (California, Illinois, Louisiana, Massachusetts, New Jersey, New York, Ohio, Pennsylvania, Texas and Wisconsin). Four out of five of these facilities are affiliated with religious groups. The facilities include 29 health clinics, 48 food pantries and 21 soup kitchens. The interviews took place between November 2000 and January 2001, and survey findings were analyzed by Dr. Douglas Porpora of the Department of Culture and Communication at Drexel University and by NETWORK staff. The data revealed the following:

- **Large numbers of people continue to subsist on household incomes far below the federal poverty line.**
  Almost one-half (47%) of people surveyed at the emergency social service facilities report annual household incomes of less than $8,500, which is far below federal poverty thresholds. Approximately one-fourth of this population report health problems and unstable housing, and

most of those subsisting on less than $6,000 per year have children. Large numbers of survey respondents who are eligible for assistance in the form of Medicaid or food stamps do not receive them.

- **Many people with incomes above federal poverty thresholds—referred to by some as welfare reform "success" stories—still go hungry and suffer from a lack of adequate health care and other necessities.**
  More than one-third (34%) of the survey respondents have household incomes above the federal poverty line. One-fifth (20%) of the survey respondents live in households earning $20,000 or more. These could be considered the "success" stories of welfare reform. Many of those earning above the poverty line no longer receive food stamps and Medicaid, however, and more than three-fourths (78%) of this group say that their job income does not cover the benefits they are no longer eligible to receive. They must therefore turn to soup kitchens and other social service facilities for help. Six out of ten (59%) report unpaid medical bills. One-third have had to forgo needed dental work because of cost, and about one-third have moved within the past year.

- **Families with children are turning to soup kitchens, food pantries and free clinics because their incomes and benefits are not sufficient to meet their basic needs.**
  Two-thirds of survey respondents have children under the age of 18. Twelve percent of the parents report that their children go hungry at times, having to skip meals or eat less because of lack of money. Almost one in five parents living in households with incomes under $20,000 report that their children's health needs are unmet. Almost half (47%) of the unemployed women who subsist without welfare assistance are single mothers.

- **Jobs and marriage—two of the stated goals of welfare reform—do not necessarily move people out of poverty.**
  More than one-third (37%) of those surveyed in the social service facilities are married or partnered with at least one member of the couple employed. Of this group, 78% are married. Many thus meet two of welfare reform's major goals—two-parent families and employment. And yet, they are not able to get by without the help of soup kitchens and charitable health clinics.

- **Disproportionate numbers of Latinos suffer from the effects of poverty and welfare reform changes.**
  At least 40% of Latinos in most states surveyed have never received cash assistance. This statistic is even higher (59%) for Latinos who were interviewed in Spanish rather than English. On average, the Latino survey respondents are younger (average age 35) and have lower levels of education than white or African American survey respondents. Only 30% receive food stamps despite their need, and more than half (52%) lack public health care coverage.

While welfare reform has resulted in some successful outcomes, clearly much remains to be done at the federal level to move more people successfully from welfare to employment while addressing the injustices of poverty and the suffering it causes. Welfare reform reauthorization, which must be

completed by September 30, 2002, gives Congress an opportunity to address the urgent and long-term needs of people struggling in poverty.

NETWORK's Welfare Reform Watch Project paints a picture of the day-to-day struggles and suffering of people who are poor. Many of the people suffering the effects of poverty are employed and living in two-parent families. The very fact that they are having to turn to social service facilities to find food, health care and housing is evidence in itself that welfare reform is not an authentic success.

After reviewing project findings, NETWORK recommends that welfare reform reauthorization incorporate the following:

- **Alleviating Poverty:** Add poverty reduction as a goal of welfare reform. Since 1996, much attention has focused on lowering welfare caseloads, which does not alleviate the overarching crisis of millions of people struggling in poverty. The federal government should require more explicit state plans designed to lift all people out of poverty, with specified goals and benchmarks.

- **TANF Funding:** Increase the block grant to cover expansion of programs such as child care funding, transportation and job training.

- **Government Accountability:** Insist on greater accountability at both the federal and state levels so that all people who are poor have access to assistance and programs designed to lift them out of poverty. Ways to achieve this include:

  - training of agency personnel and establishment of internal agency procedures to assure that all eligible people receive government assistance. The federal government also needs to assure that all people eligible for assistance, especially those with limited English, hear or see messages advising them of their eligibility.

  - federal requirements that states collect and make public information about how people dropped from welfare rolls are faring, how TANF funds are being used, and the effectiveness of welfare anti-poverty programs.

- **Time Limits:** Abolish currently mandated lifetime five-year time limits on federally funded welfare assistance. At the very least, states should be allowed to exempt more than 20% of their current caseloads from the time limits.

- **Latinos:** Increase access to education (including English classes), job training programs and transitional services for Latinos. Restore full public benefits (e.g., Medicaid, food stamps, TANF) for all lawfully present immigrants and provide access to needed benefits for undocumented immigrants.

- **Work Supports:** Increase the federal minimum wage until it becomes a living wage. Expand and increase federal funding for work support programs such as the Earned Income Tax Credit (EITC), education, transportation and job training programs. Design and strengthen programs to assist with securing employment, job retention and job advancement. Increase the number of hours of education that count toward fulfilling work requirements.

- **Family Support:** Direct states to eliminate all remaining restrictions or disincentives that prevent two-parent families from accessing assistance at the same levels as single parents. Significant numbers of two-parent families receive help in the form of cash assistance, food stamps and Medicaid at lower rates than single-parent families, even when their incomes are the same.

- **Food Stamps:** Increase federal efforts and incentives for states to inform people who are poor that they are eligible for food stamp assistance and create simplified, more accessible application procedures. A large number of families who are eligible for food stamps do not receive them. This is especially true of employed people with low wages.

- **Health Care:** Focus on universal access to health care. To work toward this, increase federal efforts and incentives for states to inform people who are poor that they are eligible for Medicaid and the State Children's Health Insurance Program (SCHIP). Streamline the application process. Provide subsidies, tax credits and other measures to help low-income working families acquire health insurance.

- **Child Care:** Increase federal funding for child care, upgrade child care standards and increase outreach to eligible families to inform them of their eligibility for child care assistance.

- **Housing:** Respond to the affordable housing crisis, paying particular attention to the housing needs of people leaving welfare for low-wage jobs who lose needed federal housing assistance or find that their housing vouchers cover less of their rent.

- **Support During Economic Downturns:** Increase federal funds available to states to help them pay benefits during times of economic distress.

At a time of national economic prosperity and tax cuts for the wealthy, millions of people continue to struggle in poverty. Substantial challenges remain before we as a nation can truthfully label welfare reform a success. NETWORK calls on Congress to address these challenges during the welfare reform reauthorization process.

NETWORK: A National Catholic Social Justice Lobby
801 Pennsylvania Avenue, SE, Suite 460
Washington, DC 20003-2167
PHONE 202 547 5556 FAX 202 547 5510
EMAIL network@networklobby.org
WEB www.networklobby.org

©2001. Full report available from NETWORK or at www.networklobby.org

APPENDIX J – SUBMITTED FOR THE RECORD, WRITTEN TESTIMONY SUBMITTED BY CHICAGO JOBS COUNCIL.

Testimony for the House Committee on Education and the Workforce

Hearing on Welfare Reform: An Examination of Effects

Submitted by the
Chicago Jobs Council
September 28, 2001

Mr. Chairman and Members of the Committee:

For twenty years, the Chicago Jobs Council (CJC) has worked to expand the job opportunities of those at the greatest disadvantage in Chicago and Illinois. Our work is driven by the front-line experience of our nearly 100 members, community-based organizations and advocates who provide a wide range of employment and support services to unemployed or underemployed adults and youths seeking economic stability and work integrity, and who offer analysis and perspective on policy issues affecting the lives of the poorest city and state residents. Propelled by our mission and members, CJC has been actively involved in efforts to shape the design and implementation of welfare reforms at the local and state levels. We have engaged in on-going discussion and collaborative initiatives with the Mayor's Office of Workforce Development in Chicago and the Illinois Department of Human Services, and advocacy with state and national lawmakers. Our efforts have contributed to the creation of vital aspects of Illinois' Temporary Assistance for Needy Families (TANF) system including: Work Pays, the state's earnings disregard program; Illinois' significant investment in childcare for low-income families; and the state's commitment to "stop the clock" for individuals working 30 hours or more.

This testimony is grounded in the lessons we have learned from Illinois' implementation of the TANF block grant program, our members' expertise in moving welfare participants and other low-income families into the workforce and out of poverty, and the daily experience of thirty-one TANF recipients and service providers, who recently participated in five focus groups conducted by the Chicago Jobs Council.[1]

The Chicago Jobs Council asserts that any further welfare reform and reauthorization must address the needs of poor families, many of whom will require additional services both before and after employment, and some who may need longer-term assistance. The true measures of welfare reform success will be on-going poverty reduction and the development of a system that supports families toward self-sufficiency.

The Chicago Jobs Council makes six recommendations for welfare policy in 2002 and beyond.

1. **Preserve and improve the safety net for both working and nonworking individuals and families facing employment barriers.**

[1] CJC member organizations that engaged clients or case managers in the focus groups included: New Moms, Inc., a program that provides housing, family support, and employment services to teen mothers; the Chicago Area Project's Women in Transition program, providing family support and employment services to several public housing developments on the South Side; Chicago Commons Employment and Training Center and Asian Human Services, programs providing distinct neighborhood, immigrant, and refugee populations with broad family support, English, literacy, and employment services.

A 1999 survey of 481 families living in Chicago homeless shelters found that 44 percent of respondents had TANF cash benefits stopped or reduced, and 33 percent had no source of income at all, including Food Stamps and Medicaid. Thirty-four percent said getting a job was the reason benefits were terminated, however, 82 percent of those who had gotten a job were no longer working.[2] Current and former TANF participants in the focus groups the Chicago Jobs Council conducted explained their vulnerable positions in the economy and their efforts to manage below poverty level incomes:

"I receive $300 and I have to pay $400 in rent. I have worked before. . . . Sometimes I cannot buy things for my daughters. Sometimes when they are sick, I can't pay for medication. If I don't pay the rent, I lose my apartment. Some medications the medical card doesn't cover. Sometimes I don't have enough money for food. Right now, I have not received Food Stamps for a month. I don't have any food at my house. I was feeding my baby only with water and sugar because I didn't have milk at home."
Raelly, a TANF recipient of 2 ½ years and mother of three young children

"Sometimes I paid the rent late and the landlord was after me, screaming at me. Medicaid doesn't cover the medications my husband needs. I have to ask for a loan to buy his medication. My gas bill is over $1000 in debt. I asked DHS if they can help with this bill and they stated that there were no funds available. My light bill is also behind. I have so much debt that what I receive is not enough. . . . Three months ago they cancelled my case. According to them I missed an appointment. They sent me a letter that I never received. . . . I had to reapply all over again, going through all the paper work. The waiting period was one month. I had to ask a family member for help. I had to talk to the landlord. He asked us to leave the apartment."
Christina, TANF recipient with limited English skills, two children, and a husband with health problems

"I get $125 worth of Food Stamps and I get $75 worth of cash. And I guess that's to make up the difference whatever a family of three is supposed to get. But since the last month, I have been cut down to three days. So right now, it's not enough money."
Ernie, TANF recipient with two children, reflecting on her recent employment income and benefits

"I'll tell you like this about me, if nothing else gets paid, the rent's going to get paid. Because I can go beg a peanut butter and jelly sandwich. I can go over into somebody's house and say can I get some rice or a bag of potatoes for 99 cents and we'll go with that. You know what I'm saying? I've always tried to keep the roof. The lights might have went off a few times, you know. We might not have had a phone a few times, you know. We wasn't into the cable thing, you know, but as far as anything when you got five kids, you keep that roof over their heads even if your house __ I've been in friends' homes where the whole house is like a bedroom. You walk in the door, somebody's bed is here, somebody's bed is there, somebody's bed is there. . . . You're not looking at your couch and your table and all that. That's like luxuries. We ain't going there. You know what I'm saying? The most that you might buy is you might say let me go get me a $2 or $3 iron."
Ms. Mac, welfare recipient of several years, mother of five children ranging in age from 22 through 4

We recommend that states be required to periodically review and provide a level of income support that is at least sufficient to ensure adequate housing, nutrition and health care for a family or individual, regardless of family size, criminal background, immigration status, or parental/custodial status. Additionally, states must ensure that families and individuals have access to income supports that might prevent job loss, or promote skill development toward self-sufficiency.

2. **Build flexibility into policies to promote the creative and effective engagement of TANF recipients with various strengths and barriers in the process of moving from welfare to work.**

---

[2] Dworkin, J. 2000. "Families Hardest Hit: Effects of Welfare Reform on Homeless Families," Chicago Coalition for the Homeless in collaboration with the National Welfare Monitoring and Advocacy Partnership

The current Temporary Assistance for Needy Families (TANF) caseload presents increasingly complex educational, social and medical needs that rapid employment will not address or tolerate. The Illinois Families Study First-year Report revealed that only 58% of respondents were high school graduates, 34% reported housing problems, 22% rated their overall health as poor and fair, 10% had one or more children expelled from school, and 22% had some history of domestic violence.[3] CJC focus group participants reflected on their situations and their experiences with the TANF system in these words:

"The majority of clients state that the IDHS office fails to look at their individual barriers. The IDHS caseworker is focused on getting them a job and nothing else. The caseworkers do not appear concerned about the clients needs, and are mainly concerned about getting them into a placement where they can fulfill their monthly requirements. Clients have stated to me that it seems most important that the caseworkers get them into someplace where they will no longer be responsible for the client. Often, IDHS will classify a client as "engaged" which means they have work experience, however, after we do our assessment with the client, we find out that they are illiterate, have no work experience, are in a violent relationship or have unaddressed substance abuse issues."
Provider of employment services

"I went to public aid and I took a letter from St. Patrick [church] and I told them, look I want to work. It's not like I don't want to work and it's not like I don't want to go to school . . . . It's just that I can't. I can't. My son's been kicked out of one or two daycares, I have letters that say that he has a disability. I put him on the school bus. I have to be on that school bus. There's times when they call me twice a week and say I have to sit there with him in school, you know . . . And every time I had a job, I had a lot of jobs but I'll be there for a week or three days, why? Your son's doing this, come get your child; it's not like I haven't tried."
Erika, TANF recipient and survivor of domestic violence, who has a 4½ year-old son with a behavioral disability, a younger daughter, and is currently pregnant

"But the thing is we are going to job fairs here, you know and then they say that we don't want to work. All we want to do is lay around and receive the check. That's not true. We'll go on job fairs. No one calls us. We do applications everywhere. I put resumes all over the world. No one has called me yet."
Ann J., TANF recipient of several years with three adolescent sons

"Some people can't learn as fast as others and it might take them a little longer. . . There might be a reason that they might have to stop for like a month or two of going because maybe their kid got sick or they got hurt or something. But give them a chance to, you know finish education."
Darlene, TANF recipient of several years, two of her three children have a health problem or disability

"They should . . . evaluate your individual needs . . . . Don't just lump us under one umbrella and say well, well all you all going to go to this same class and then some of you all going to make it and some are not and who cares."
Vinetta, TANF recipient and mother of four children

Policies and programs must support and encourage those who are truly ready to find employment, while providing more intensive and longer-term support to those who face major, and often multiple, barriers to employment.

We recommend that there be no lifetime limit on the receipt of cash assistance, supportive services, or education and training. Any family or noncustodial parent in need must be able to receive a thorough and professional assessment of their strengths and needs in order to develop a plan for achieving self-sufficiency. Appropriate tools such as screening devices for substance abuse, domestic violence, and learning disabilities, as well as, assessments of physical and mental health, literacy and basic skills

[3] Lewis, D., Shook, K., Stevens, A., Kleppner, P., Lewis, J. and Riger, S. 2000. "Work, Welfare, and Well-Being: An Independent Look at Welfare Reform in Illinois, Illinois Families Study Project Description and First Year Report," University Consortium on Welfare Reform.

must be available in addition to various options for work activity and skill development to facilitate the identification and achievement of incremental steps toward economic and family stability. These steps, reflecting progress for an individual or family, must be rewarded, not required.

The particular needs of youth, noncustodial parents, and domestic violence survivors must be recognized. Youth specialists who understand the stages of adolescent development must serve youth up to age 21 as they grapple with TANF rules and the possible pathways to self-sufficiency. States must include welfare-to-work strategies that assist noncustodial parents in their efforts to overcome employment barriers and become more involved in the lives of their children. Individuals facing or fleeing domestic violence in any state must have the greater flexibility described in the Family Violence Option.

3. Value education and training as an essential element to poverty reduction.

States' efforts to make TANF participants "work first" do not provide lasting solutions to either caseload or poverty reduction. Even during the previous economic boom that helped many find jobs, those who leave welfare for work without a high school diploma are twice as likely to return to welfare.[4] Eighty-three percent of respondents in the Illinois Families Study stated a desire to pursue additional job skills or an educational goal.[5] This desire was frequently repeated in our focus groups:

"I need childcare, to learn English, get a GED and get some kind of training. And I need to learn how to search for a good job."
Christina, TANF recipient

"From the Women In Transition program I went to a hospitality class. From the hospitality class I started work at the Palmer House and I've been there ever since. It'll be a year on the 11th of this month."
Vinetta, mother of four and a licensed cook, who lost her previous job due to an arm injury and returned to the TANF rolls

"Okay, if you go on a job for like say typing or receptionist, and you're going to work this job, you're working there two months. And these people aren't paying you. I figure that if you're going there, they should __ for them to have you to come there, they should have some kind of expectation on hiring. You see what I'm saying? Don't have a person come to your job, work three months. You're not paying them. You're getting paid by the [IDHS] which might be, like I said, with one child $200 and something for that whole month, just this set payment. And you working there and working there thinking that, well, I might get hired here because I've been working her. I got the experience. I've been working here three months. . . . And then they say 'well, we've decided we have enough people here, and we're not hiring right now."
Ms. Mac, TANF recipient

"I have a person come to my program. She have reading level 10.9. I want that woman to go to college. Because it's guaranteed that woman will be successful and that woman will become self-sufficient."
Lillion, bi-lingual employment services provider

We recommend that a range of short- and long-term education (e.g. adult literacy and basic skills, English language proficiency, GED, post-secondary education, etc.), employability development, and occupational skills training programs (including self-employment programs) be fully funded, and made available to meet the varied interests and workforce preparation needs of job seekers. Additionally, a range of employment-related services must also be fully funded and made available to both youth and

[4] Based on Illinois' recidivism rates as reported in: Anderson, S. and Halter, A. 1999. "When Families leave Welfare Behind: First Survey Findings, Illinois Families in Transition," University of Illinois at Urbana-Champaign for Illinois Department of Human Services.
[5] Ibid. Lewis et al.

adults including volunteer experience, life skills/self-esteem development, on-the-job training programs, paid work experience in the private sector, publicly-funded jobs, entrepreneurial development, and one-on-one job placement and retention services.

Post-placement services are essential and should include: job counseling; reassessment to examine education, training and other employment barriers for those having difficulty retaining employment or needing additional skill development to advance their career mobility; career development services which focus on preparing individuals for career paths (including non-traditional employment) that ensure progression toward or achievement of sustainable wages and opportunities for advancement.

4. Make work pay with a range of job- and income-related supports.

As indicated previously, even though parents who leave welfare for work are employed full-time or nearly full-time, their below-poverty wages, averaging $7.00 per hour in Illinois, are too little to support their families.[6] Many of these same families also fail to receive key work supports including childcare assistance, Medicaid coverage, and Food Stamps despite their continued eligibility for this help.[7] The approximately one million welfare participants entering the labor force join more than seven million workers who are poor and another 13 million workers at chronic risk of falling into poverty.[8] The current and former TANF participants we talked to were familiar with limited incomes and access to resources:

"Okay you get a job right. I mean it ain't paying you no great money, seven something an hour. You're working 40 hours a week. You're living in an apartment paying 500 something dollars rent, light, gas. You can't__and you've got children to take care of and they just cut you off all at once. . . .Okay you've got to be under a certain amount and they might still give you a little money and stamps. But people with one child it don't make no difference how much you make, you're going to make more than what they're going to five you a month. So therefore they're going to take the money."
Darlene, reflecting on TANF work supports

"It's big, big problem get again medical because I try. My husband and me started with $8 an hour and wasn't enough for pay the insurance. [My husband's employer] insurance after three months to get benefits and I after six months. And we try to get, no get, [IDHS] told us no."
Mubera, Bosnian refugee, who received TANF cash assistance and Food Stamps, with her husband and two children, for six months before employment

". . . by me being still the lowest person on the totem pole at my work, I have hours like the night hours, traveling. Like sometimes I work from 5:30 until 2:00 in the morning or from 6:00 until 2:30 in the morning. . . Okay by me working the hours that I work, I would feel better if I had somebody there with my daughter, you know what I'm saying, she's 13. . . you know I would like if somebody was there with her that I could pay to be there, instead of using all my money to have to pay the bills and stuff like that."
Vinetta, expressing her desire for childcare support for 13 year olds

". . . so I applied for child support and out of child support, my baby's father works a good job. I don't know why I get 25 bucks a month. It's a kid and I have no idea. He makes at least a week $500, what's the point you know? I don't know what's going on."
Erika

---

[6] Ibid. Lewis et al.
[7] Sweeney, E., Schott, L., Lazere, E., Fremstad, S., Goldberg, H, Guyer, J. 2000. "Windows of Opportunity: Strategies to Support Low-Income Families in the Next Stage of Welfare Reform," Center on Budget and Policy Priorities.
[8] Research and Policy Committee of the Committee for Economic Development. 2000. "Welfare Reform and Beyond: Making Work *Work*, A Policy Statement by the Research and Policy Committee of the Committee for Economic Development," Committee for Economic Development.

The TANF program must maximize a range of supports that help current and former participants keep their jobs, move up in their careers, and permanently leave welfare, and poverty, behind.

We recommend that earnings disregard rules supporting gradual increases in income through work and transition toward self-sufficiency (such as Illinois' Work Pays program) be part of an income maintenance plan and that state tax policies (such as the Earned Income Tax Credit) and asset accumulation strategies (such as Individual Development Accounts) be integrated to support low-wage workers until they can obtain employment at sustainable wages. Additionally, states must allow the "pass through" of all child support collected and disregard this income when determining eligibility for any public assistance program.

States must provide transportation help, including commuting allowances, funds to purchase or maintain a car, and coordination with paratransit systems; and a seamless system of child care for all low-income workers during traditional and nontraditional hours and for those with special needs. In order to prevent job loss, states must provide short-term aid to low-income workers facing temporary crises, such as a care breakdown or the illness of a child, that can jeopardize economic and family stability.

States must ensure that Food Stamps and Medicaid are provided to eligible low-income individuals and families and must expand health care coverage for low-income workers not eligible for Medicaid.

While policymakers must encourage employer's cooperation in public efforts to expand employee support services including child care, transportation, employee assistance services, training and advancement opportunities, and workplace flexibility, those supports provided by the states must be universally available according to income and continue to be based on means.

5. **Measure, reward and monitor states according to participants' meaningful educational, personal and employment gains.**

Current federal TANF law measures states' performance primarily by caseload reduction. As a result, states have focused their welfare-to-work efforts on reducing the size of their caseloads rather than identifying and addressing families' employment barriers. In Illinois the "available to work" caseload has declined nearly 78 %,[9] yet only 53% surveyed in the Illinois Families Study report they are working.[10]. Thousands who are without work have been either discouraged from applying for needed assistance, or cut off of assistance in the absence of efforts to identify and address literacy, domestic violence, mental health or disability-related barriers. Focus group participants shared their own insights and experiences of the system's caseload reduction efforts:

"When I was six months pregnant I went to the public aid office . . . . I went in there and the man who, that processed my application said that he went into the new supervisor, she's going to take care of it immediately and in 30 days I would get a check. A month and a half later, I got back to the public aid office. I had to reapply with a woman who only took care of Food Stamps and not cash assistance. She didn't process my application either so we went on my birthday I went and I had to apply again with a man who said that he was going to do everything for me. I would be approved immediately. I shouldn't worry. . . Two weeks before I was due I started calling him because I hadn't heard anything from public aid, I got the run around. I called him and left him four messages a day for two weeks even on the weekends and he never returned

[9] Illinois Department of Human Services.
[10] Ibid. Lewis et al

any of my calls. Finally two days before my due date I went in and I was told that nobody from the beginning had put any of my information into the computer, that I had to wait to be approved. . . . So then the supervisor of that man came in and started threatening me saying that why did I need [TANF]? Was I sure I needed it? I could start working, I could do this, I could do that. And then a few days later I was told to talk to two more people who were supposed to handle my case. By this time I had, I was about to go into the hospital because I was like in really strong labor and they wanted me to come in so that they could try to interview me again. And I was scared that I was going to have to wait another 45 days, that I couldn't wait because I couldn't afford to buy anything for my daughter for another 45 days. But they did finally give me the money. . . ."
Rebekah, recent TANF recipient with 2½ month-old daughter, reflecting on her application experiences

". . . when you go to your appointment [with IDHS] they're the ones doing all the talking. You're trying to tell them your situation and they're telling you something else, what they want to hear. So what they need to do is they need to take time, take pride. You know what I'm saying they need to put their clients first instead of themselves first before they assume and [have you] jump through hoops."
Kisha, TANF recipient and mother of one child, whose entry-level employment led to the loss of cash benefits and her apartment

"The first time I went and applied, my caseworker, well the caseworker I have now is not the one I applied with. But the first person I talked to when I went and applied after my unemployment ran out made me feel like I was the lowest person in the world because I had got laid off my job. And because I had to come and beg them for some assistance. . . . [TANF] was out there for us, for help for us so why not give it to us until we can do better. Not make us feel like we're a part of a piece of scum under their shoe."
Kathy, mother of one son, employed previously in a law office for 18 years

"How can this program be successful? When so many people don't have food out there. There are a lot of people who need the assistance who have no food for their kids. Because so many cases have been cancelled. They have been cut off. There is no way this program can be successful. . . . The government called it successful, but the people who have lost benefits call it hunger."
Benigna, TANF recipient with one child and a 30 year work history

We recommend that program success be measured and rewarded according to a meaningful standard of self-sufficiency that is adjusted for regional and local differences such as the Wider Opportunities for Women's *Self-Sufficiency Standard*, which estimates the minimum amount of income a family needs to satisfy its basic needs without relying on public or private assistance.[11]

Performance measures to be tracked and collected longitudinally must include: interim indicators of educational advancement such as enrollment and class completion, interim indicators of housing and health stabilization, employment date including wages and benefits received, job retention and career advancement rates, the need for and use of continued government assistance/support from programs that determine eligibility at 200% of child poverty or less, the effects of case sanctioning, termination, and work activity requirements on family stability as indicated by entry into and outcomes from states' child welfare systems[12] and homeless shelters, the amount of child support received and passed through to families, and indicators of success in serving youth including completion of secondary education and all other measures indicated above.

---

[11] Wider Opportunities for Women has developed *Self-Sufficiency Standards* for each county in 13 states as well as the Washington, D.C. metropolitan area. The Chicago Workforce Investment Board recently adopted the *Illinois Self-Sufficiency Standard* to determine eligibility for training services and to use as a performance measurement under the Workforce Investment Act of 1998.

[12] Via comparisons of TANF and child welfare caseloads and family reunification rates within states' child welfare systems.

States must be encouraged to use sector-specific labor market data to effectively anticipate, prioritize and invest in training and education programs that meet the demands of the labor market and be rewarded for their success in helping job seekers achieve self-sufficiency and reducing poverty.

Family structure goals of TANF must be eliminated and funds used to reward states for decreasing out-of-wedlock births and for abstinence only until marriage programs must be redirected to rewarding states for reducing poverty and empowering youth to make informed career and reproductive decisions.

States must have an obligation to reach out to individuals and families whose incomes are at or below 200% of poverty in order to assess their eligibility for public assistance. Those receiving TANF must be accorded due process, which includes timely notice, a reassessment, and an opportunity for a fair hearing before any reduction in benefits or termination. Some mechanism to periodically evaluate states' programs in order to ensure that policies are applied nondiscriminatorily is necessary.

6. **Invest in the nation's workforce with increased funding for education, training and work-related supports.**

Welfare funding needs to be increased, or at least maintained, to provide critical support to families who either have left welfare for low-wage jobs or have remained on the caseload due to severe employment barriers. Illinois, as well as other states, has spent all of its TANF block grant and MOE funds on needed initiatives, such as subsidized childcare, the child welfare system and other social service programs, and would be seriously hurt by funding cutbacks. Despite their investment in needed services, states' fiscal constraints still force them to choose between funding one program over another, often leaving to the wayside programs that help individuals make a permanent attachment to the workforce, like education and training. When our cyclic economy stalls, families who have been unable to permanently attach to the labor force because of limited work experience, low educational attainment, and multiple barriers to employment may return to TANF. The White House Council of Economic Advisors estimates that for every one percent increase in unemployment there will be a five to seven percent increase in the TANF caseload.[13]

"I'm going to school, like I said I've got six months to get my associates and I can barely, you can barely find a job with college credits. . . . It's an Associate's degree in criminal justice. So and it's hard to find a job right now. They're cutting everybody's hours."
Ruth, Medicaid only recipient who is working and going to school, reflecting on these economic times

"What will happen now that all the placements are frozen, due to what happened on September 11th? They're not hiring. We have a contract with [an airport security firm]. They're not going to hire. What will happen. . . ? That's a concern I have in terms of the economy. Things are not getting better, it's getting worse. And even we have been having that concern even before what happened Tuesday. It will be much worse now."
Lillian, bi-lingual employment services provider

We recommend that MOE and TANF block grant levels be increased, at least to adjust for inflation, in order to mitigate the employment barriers of both working and nonworking TANF participants. Additionally, any savings states realize from a decrease in income assistance must be reinvested in the

[13] Council of Economic Advisors. 1999. "Technical Report: Economic Expansion, Welfare Reform, and the Decline of Welfare Caseloads: An Update." Washington, D.C.: Executive Office of the President.

workforce system's education, training, retention and support services to fulfill low-income individuals' and families' unmet needs.

States must be measured by how they spend their MOE and provided a bonus for expenditures proven to reduce poverty such as allocations to education and training programs, state Earned Income Tax Credits, and Individual Development Accounts, meeting a standard that raises an income to at least 200% of the poverty level.

Because education and training are strategies proven to give people access to jobs that pay higher, sustainable wages, local, state and federal governments must appropriate TANF and other funding to support the workforce system's ability to provide lifelong learning opportunities.

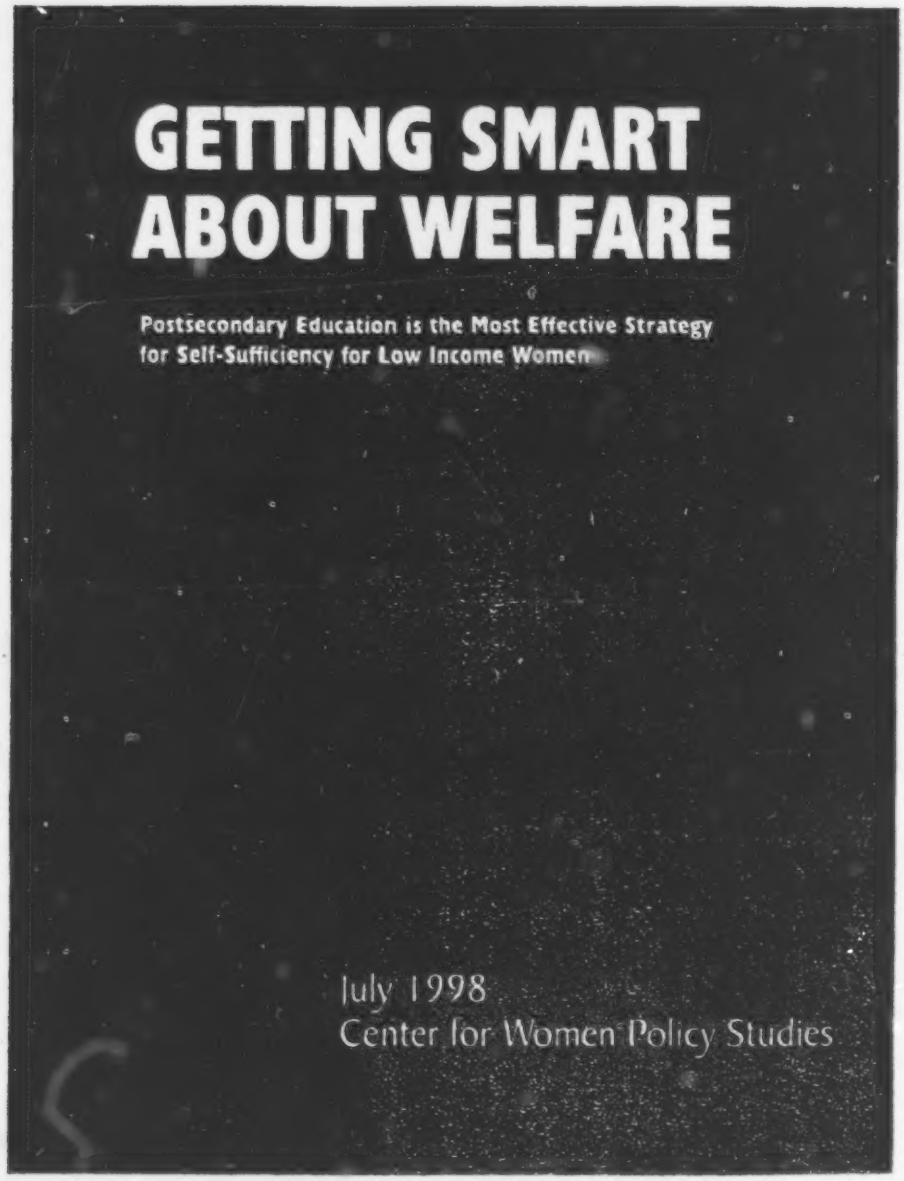
Vinetta, mother of four and periodic welfare recipient, currently working full time told us,

"It's like the more they're trying to change [welfare], the more they are forgetting people."

Welfare law should be written in response to the needs of families experiencing economic hardship. Poverty reduction is the only acceptable goal of a welfare system. Employment preparation, skill development, and job placement and retention services are vital means to this necessary end.

We ask that the House Committee on Education and the Workforce give our six recommendations and accompanying actions careful consideration. We expect our written testimony to become part of the public record on TANF reauthorization hearings.

APPENDIX K – SUBMITTED FOR THE RECORD, WRITTEN TESTIMONY SUBMITTED BY THE CENTER FOR WOMEN POLICY STUDIES.


GETTING SMART ABOUT WELFARE
Postsecondary Education is the Most Effective Strategy for Self-Sufficiency for Low Income Women
July 1998
Center for Women Policy Studies

Welfare reform must provide women who receive Temporary Assistance for Needy Families (TANF) with an effective and permanent route out of poverty: postsecondary education.

The Significance of Postsecondary Education

To succeed in today's economy, it is clear that *all* individuals can benefit greatly from a college education. Education has always been a route to economic self-sufficiency and social mobility in the United States, and a college education is increasingly important in achieving long-term economic security. President Clinton has remarked on the importance of postsecondary education:

> *A good education is key to unlocking the promise of today's economy in the 21st century. Without it, people are at an ever-increasing risk of falling behind . . . that's why I have been fighting furiously since the day I took office to expand educational opportunity, to give all Americans a chance to grab the key to a prosperous future (emphasis added)* (Clinton, 1995).

> *We must make two years of college — the 13th and 14th years of education — as universal for young Americans as the first 12 are today. And, we must make college affordable for all Americans (emphasis added)* (Clinton, 1997).

Despite these policy pronouncements, our nation has not yet extended this commitment to educational opportunity to women who are living in poverty with their children and relying on welfare. However, many women on welfare are ready, willing, and able to go to college; 53 percent of women receiving welfare are high school graduates or have earned GEDs (U.S. Department of Labor, 1998).

The Benefits of Postsecondary Education

Economic Self-Sufficiency. The additional earning capacity that a college degree provides can make the difference between independence and continued poverty for women on welfare (Gittell, 1996). In order to achieve economic self-sufficiency, TANF recipients need full access to postsecondary education. The results for both women and the economy would be immediate and positive.

- The average person who attends a two year community college earns about 10 percent more than those without any college education, even without completing an associate's degree (Kane and Rouse, 1985).
- Average expected lifetime earnings for a graduate with an associate's degree is more than $1 million — about $250,000 more than for an individual with only a high school diploma (American Association of Community Colleges, 1998).
- Among families headed by African American women, the poverty rate declines from 51 percent to 21 percent with at least one year of postsecondary education (Census Bureau Population Survey, as cited in Sherman, 1990).
- Among families headed by Latinas, the poverty rate declines from 41 percent to 18.5 percent with at least one year of postsecondary education (Census Bureau Population Survey, as cited in Sherman, 1990).
- Among families headed by white women, the poverty rate declines from 22 percent to 13 percent with at least one year of postsecondary education (Census Bureau Population Survey, as cited in Sherman, 1990).
- African American women holding bachelor's degrees earn $2,002 a month, compared with $1,204 for those with only some college education (Gittell, Vandersall, Holdaway, and Newman, 1996).

Now more than ever, welfare recipients need postsecondary education to obtain the knowledge and skills they will require to compete for jobs that pay a living wage. The goal of the TANF program is to move people from welfare to work; yet nationwide, there is a scarcity of jobs — particularly in the low wage, low skill sector of the labor market in which most former welfare recipients participate (Weisbrot, 1997). And while employment opportunities for low income and poorly educated women have always been meager, now they are even worse.

- Nationally, the economy is projected to create only half as many new low skill jobs as there are welfare recipients targeted to enter the labor market in 1997-1998 (Weisbrot, 1997).
- If the normal growth in the labor force is factored in, the ratio of job seekers to jobs nationally is nearly three to one (Weisbrot, 1997).

As the competition for low paying jobs increases because of TANF's time limits, wages will also decline. In fact, the influx of former welfare recipients is projected to decrease the wages of individuals in the low wage labor market by nearly 12 percent (Weisbrot, 1997). This is especially serious, as these wages themselves do not even pay enough to support a typical family leaving the welfare rolls (Weisbrot, 1997).

- The odds against a typical welfare recipient landing a job that pays a living wage are approximately 97 to 1 for the midwestern states of **Illinois, Indiana, Michigan, Minnesota, Ohio**, and **Wisconsin**. These states compare favorably to the rest of the country, so it is reasonable to conclude that these odds are not significantly better, on average, in the national economy as a whole (Weisbrot, 1997).
- Most women who leave the welfare rolls for work can be expected to earn wages that are far below the federal poverty line, even after five years of working (Weisbrot, 1997).
- It takes between two and four times the minimum wage to support a family composed of one adult and two children. In a survey of 2,533 low income **Californians**, less than 6 percent believed that $6 per hour can support a family, a wage that is still above the legal minimum (Californians for Justice Education Fund, 1997).

Clearly, even if a woman does get a low wage job, she still cannot expect her situation to improve over time. Postsecondary education is necessary to give women the opportunity to move beyond the daily struggle to make ends meet.

Some TANF recipients face significant barriers to employment and to postsecondary education, including substance abuse, domestic violence, physical or mental disabilities, and chronic health problems (Kramer, 1998). States therefore must create a continuum of programs to serve the diverse needs of women receiving welfare; these should help move women toward self-sufficiency by providing remedial math courses, literacy training, mental health and substance abuse treatment *and* postsecondary education.

Because some women need remedial courses is not reason enough to deny them access to postsecondary education; indeed, a large percentage of other students also need remediation. In fact, in 1995, 29 percent of all first year college students were enrolled in at least one remedial reading, writing, or mathematics course; at public two year institutions, 41 percent of first year students were enrolled in one or more remedial courses (Lewis and Farris, 1996). The opportunity for a college education may not be immediately appropriate for all TANF recipients, but the door should be open for women who are ready to take this path to economic self-sufficiency.

Upward **Mobility.** At least half of all new jobs by the year 2000 will require a college degree (Kates, 1993). For poor women to break out of welfare poverty or working poor status, they must have education and job training that prepares them for higher paying employment — and that requires a solid postsecondary education.

Programs that place welfare recipients in public sector service jobs, such as **New York** City's workfare program, have been criticized for not moving individuals into permanent, unsubsidized employment (Swarns, 1998). Indeed, these workfare programs are viewed as the "last resort" and not as an effective tool for welfare recipients to achieve long-term economic independence.

Women need training in vocations and professions that are as lucrative as possible. Even with additional education, women cannot become economically strong unless they can avoid being trapped in the lowest paid jobs in the service sector, such as child care, nursing home aides, custodial, and other service or clerical positions, which pay the least and offer the fewest benefits and career ladders.[1] It is imperative that low income women have access to postsecondary education in order to be competitive in jobs and careers that offer advancement and upward mobility.

In a survey of 2,533 low income **Californians**, 19 percent of respondents reported that few or no jobs were available in their communities; another 7 percent responded that only "low paying jobs" were available. The existing jobs were either dead end, low paying jobs or highly technical jobs for which they did not have the necessary skills or education (Californians for Justice Education Fund, 1997).

Other Benefits of A College Education. Empowering women through education has far reaching benefits, not all of them are financial. Studies in several states have found that postsecondary education not only increases women's income, it improves their self-esteem, increases their children's educational ambitions, and has a dramatic impact on their quality of life, enriching the women's personal lives and improving their relationships with their children (Gittell, Gross, and Holdaway, 1993; Kates, 1991).

One five-state study of college graduates who had been AFDC recipients when they were enrolled in school reported remarkable results. Respondents in all states said that their increased self-esteem was the most important long-term consequence of attending college — they felt proud of themselves and more confident in their abilities (Gittell, Gross, and Holdaway, 1993). Ninety percent of the **New York** State respondents credited their college experience with making them feel more self-confident and 95 percent also felt proud of themselves. Women also reported that their education changed their lifestyle; they read more, made new friends, and engaged in more cultural activities (Gittell, Gross, and Holdaway, 1993).

Benefits also extended to the children of these educated parents, who were more likely to take education seriously and aspire to go to college themselves (Gittell, Gross, and Holdaway, 1993). In the **Illinois** sample, for example, 40 percent of respondents reported that their children worked harder as a result; 62 percent of respondents said that their children were proud of them for going to college (Gittell, Gross, and Holdaway, 1993). The study also suggests a strong association between parental income and the expected future income of their children (Gittell, Gross, and Holdaway, 1993).

---

[1]The optimal solution would be to pay these essential women workers a living wage, with health benefits, rather than to continue to denigrate these positions with low pay and low status. The devaluation of positions that traditionally have been labeled as "women's work" reflects the sexism that continues to confront women in all segments of the job market.

One study participant said:

> *"Seeing me struggle, and having the appreciation for what I have gone through ... They are proud of me for what I have done, and they know that they can do it ... They are not afraid to be at school. My son wants to go to Yale and be an engineer ... So they are not afraid, and they see the possibilities of going to school and then on to college"* (Gittell, Gross, and Holdaway, 1993).

Another study participant reported that the message that she has given her daughter is that "college is important and it's going to be part of her life . . . I served as a role model for my daughter because I was so dedicated to my studying and doing well in school" (Gittell, Gross, and Holdaway, 1993).

The Federal Welfare Policy Environment

The Family Support Act of 1988. Passage of the Family Support Act (FSA) of 1988 marked a shift toward greater recognition of the need to invest in human capital and to include postsecondary education as an option for women receiving Aid to Families with Dependent Children (AFDC). This Act, designed to make welfare a temporary system, focused on the education and training of AFDC recipients (Kates, 1991). Through the Job Opportunities and Basic Skills (JOBS) component of FSA, states could offer postsecondary education to AFDC recipients as a job training option and determine whether to adopt a two year or four year college option.

Every state took advantage of this option. Two-thirds of the states allowed AFDC recipients to pursue four year college degrees and some states even encouraged recipients to enroll in college; the remaining states permitted recipients the choice of a two year degree. In this policy environment, colleges developed special programs for women receiving AFDC, many of whom proved to be accomplished students (Gittell, Vandersall, Holdaway, and Newman, 1996).

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996. This most recent federal welfare reform bill, signed into law by President Clinton on August 22, 1996, marked the end of guaranteed cash assistance to low income women and their children by converting AFDC into the Temporary Assistance for Needy Families (TANF) block grant. It also marked the end of the college option provided in the Family Support Act.

Several provisions of TANF have a direct impact on low income women's access to postsecondary education.

- **Time Limits.** The law mandates a maximum five year lifetime limit on receiving assistance. However, states have the option to set even shorter time limits (Center for Women Policy Studies, 1996).
- **Work Requirements.** In order to receive TANF block grant funds, each state must put at least 25 percent of recipients to work in fiscal year (FY) 1997, rising incrementally to 50 percent by FY 2002. Women with children under the age of six are required to work 20 hours a week, rather than the 36 hours required of other recipients (Center for Women Policy Studies, 1996).
- **Allowable Work Activities.** Some forms of education and training are included as meeting the definition of work — vocational education training for up to 12 months, job skills training, and education that is "directly related to employment" (Center for Women Policy Studies, 1996).

Time limits on aid make it impossible for TANF recipients to receive support while pursuing either a four year college degree or a two year associate's degree. Indeed, it seems unreasonable to expect such speed of completion when the "traditional" student takes more than two years to complete an associate's degree program at a community college and about five years to complete a four year college degree. And most of those students are young adults with no family responsibilities and with some economic support from their families — advantages that TANF recipients do not share.

To expect a poor woman with dependent children to complete school any faster than a student without those responsibilities is, at best, unrealistic. At worst, women learn that their poverty and motherhood make them second class citizens whose hopes for a better life for themselves and their children are scorned by policy makers and those citizens who are privileged enough to have avoided poverty.

In fact, TANF's "work first" approach already has forced many college students to drop out of school in order to meet work requirements. For example:

- At the City University of **New York**, the number of students on welfare declined from about 27,000 to about 17,000 from 1994 to 1997 (Schmidt, 1998).
- At **Milwaukee** Area Technical College in **Wisconsin**, the number of welfare recipients registered as students declined from 1,755 to 244 (Romano, personal communication, April 8, 1998).
- At Baltimore City Community College in **Maryland**, the number of students on welfare dropped by 29 percent, from 893 to 633 from fall 1996 to fall 1997 (Schmidt, 1998).
- In the **Massachusetts** community college system, enrollment of welfare recipients declined from about 8,000 to approximately 4,000 in two years (Schmidt, 1998).

Although President Clinton is on record as stating, "I don't think people [on welfare] should be pulled out of college" (Harris, 1997), anecdotal data from other states and communities suggest that these situations are typical and that many students are being forced to give up their pursuit of education by punitive workfare requirements and time limits. TANF recipients on the path to economic self-sufficiency should not be forced to leave school in favor of a job that barely pays a living wage.

Balanced Budget Act of 1997: The Balanced Budget Act of 1997 (BBA) included provisions relating to the $3 billion Welfare-to-Work Block Grant program. The grants must be used for activities "to move individuals into, and keep individuals in, lasting unsubsidized employment by means of any of the following:

1) the conduct and administration of community services or work experience programs;
2) job creation through public or private sector employment wage subsidies;
3) on-the-job training;
4) contracts with public or private providers of readiness, placement, and post-employment services;
5) job retention or support services if such services are not otherwise available" (20 C.F.R. §645.220 (1997).

Nothing in the law specifically excludes postsecondary education programs for TANF recipients who meet the target population guidelines — if those programs show that they are designed to lead to specific employment and also provide job placement services. Thus, many community colleges will be able to qualify.

State legislators can bring together postsecondary education institutions and state welfare administrators to work together to develop strategies that use these federal mandates to open the door to a college education for low income women so that they can permanently move off welfare and into jobs that pay a decent wage and benefits.

State Approaches

Relatively broad phrases such as "job readiness" and "education directly related to employment" in TANF provide some leeway for the inclusion of some postsecondary education programs as an option. State legislators can ensure that postsecondary education is included in each state's definition of "work activities."

Under the U.S. Department of Health and Human Services' proposed rule to implement TANF, states possess the discretion to include postsecondary education as an allowable work activity. The proposed rule leaves states with the maximum flexibility allowable under the statutory language

to define "work activities" and specifically encourages states to adopt program designs that combine college study with work (45 C.F.R. Preamble to § 271.30 (1997).

Furthermore, the proposed rule allows states to operate state programs with Maintenance of Effort (MOE) funds that permit women to pursue a college education as long as the program is an effective means of advancing welfare recipients' work opportunities and long-term economic self-sufficiency. (45 C.F.R. § 273.2 (1997). State funds can be used to provide cash benefits and support services, such as child care and transportation, to enable recipients to attend college — without being subject to TANF program restrictions since federal TANF dollars are not being used.

For example, **Maine**'s Parents as Scholars program is a separate administrative structure that will protect parents in college from strict time limits and from work requirements. Using state MOE funds, **Maine** gives recipients a cash living allowance and supportive services if they are enrolled in an educational program designed to lead to self-support. Because it is a separate program, it does not compete with the state's 20 percent exemption allowance from work participation under the TANF program.

Wyoming's welfare law includes provisions that encourage access to education for TANF recipients. Using state MOE funds, **Wyoming** allows recipients to complete one bachelor's degree or one vocational training program. Among other requirements, the student must be employed at least 32 hours per week for 10 or more of the 16 weeks prior to starting classes. Also, the student must be employed for a minimum of 32 hours per week for 10 weeks after each two semesters of school; however, this requirement may be waived for good cause, such as summer school attendance.

New York's welfare law requires that recipients who are students must be offered a work site on campus to fulfill their mandatory work requirement under TANF. Local service agencies are required to place students on public assistance in jobs on their own campus or at a site reasonably close to that campus. Also, the student is required to remain in good academic standing.

Illinois' welfare law allows unemployed TANF recipients to pursue postsecondary education; however, the college degree program must be completed within one year. Additionally, individuals may be required to participate in job search and job readiness activities as well. Employed recipients may also attend college if they work at least 20 hours per week; a work study placement can meet the work requirement.

States also can promote postsecondary education opportunities for women receiving welfare by establishing an Individual Development Account (IDA) program. States can use part of their TANF block grant to fund IDAs for qualified purposes, including postsecondary education expenses (Personal Responsibility and Work Opportunity Reconciliation Act of 1996). Under an IDA program, a TANF recipient can save all or a portion of any income she may have and have those dollars matched by the IDA program (Personal Responsibility and Work Opportunity Reconciliation Act of 1996). The IDA program must be administered by a not-for-profit organization or a state or local government agency partnering with a not-for-profit organization (Personal Responsibility and

Work Opportunity Reconciliation Act of 1996). The income that a woman saves is not counted in the determination of her TANF eligibility (Personal Responsibility and Work Opportunity Reconciliation Act of 1996).

The Role of Colleges and Universities

Institutions of higher education can take specific actions to create supportive educational environments for low income women (Kates, 1991). These do not require new federal or state legislative initiatives, but simply the desire to improve access for low income women.

Administrative Support

- Track the progress of students who are TANF recipients, in order to provide help when needed.
- Schedule regular meetings, at least once a year, between students and financial aid administrators.
- Establish formal and informal links with state and private agencies for information sharing, problem solving, and policy making.
- Ensure student participation in policy making, through advisory committees, task forces, and student organizations.
- Provide students with accurate and current information on support services and community resources.
- Provide responsive career development and counseling personnel who understand the concerns of low income students.
- Offer students opportunities for on-campus internships, employment, and work study that can fulfill TANF work requirements.

Academic Support

- Guarantee flexibility regarding credits, including credit transfers and credits for life experience.
- Encourage a variety of course options, including areas of professional preparation considered "nontraditional" for women, especially low income women.
- Conduct a one year orientation program, specifying core courses that students should take.

Financial Support

- Ensure that all financial aid personnel understand the complexities of public assistance, especially TANF requirements, and the areas of overlap with other public funds and resources and who are sensitive to the specific financial needs of low income women.

- Create emergency funds to provide women with loans and grants for special and unexpected needs.
- Include proposals for scholarship programs for low income women in college fundraising activities among alumni and public and private funding sources.

Support Services

- Provide child care, including on-campus facilities and/or referral to nearby agencies that provide child care.
- Provide resources for transportation, such as loans for car repair, and referral to agencies that provide reimbursement for mileage or public transportation tokens.
- Provide on-campus or campus-approved housing for women with children.
- Provide workshops about family relations and child development.
- Coordinate access to community resources available for low income women.

Student Support

- Create a "buddy" or "sister" system to link incoming students with experienced students.
- Establish a liaison position in the Student Affairs office, to assist students on campus.
- Build an alumni network to help women plan careers and discuss life after college.

Overall, any educational plan should provide sustained cash assistance, food stamps, child care, career counseling, job placement assistance, and support throughout the recipient's tenure as a student (see Kates, 1991). Low income women will not be able to break out of poverty without access to appropriate educational programs and services that allow them to sustain their families while pursuing their higher education goals. Women receiving TANF must be able to forge their futures without sacrificing their present lives.

Additional Federal Welfare Reform Needed

Clearly, postsecondary education does make a difference — an enormous difference — for many women. In order to ensure that low income women have the opportunity to receive a college education, federal law must include postsecondary education in the list of allowable work activities under the TANF program. In addition, federal law should allow states to extend welfare recipients' time limits if they are close to completing their college degree programs.

Policy makers must keep the door open to a college education for low income women so that they can permanently move off welfare and into jobs and careers that pay decent wages and benefits. As one former welfare recipient noted, "The only remedy to complete abandonment from the welfare system is education" ("Ex-welfare mom," 1997).

References

American Association of Community Colleges. (1998). *Facts about community colleges* [On-line]. Available: www.aacc.nche.edu/facts/factec.htm.

Californians for Justice Education Fund. (1997, November). *Confronting the jobs gap*. Los Angeles, CA: Author.

Center for Women Policy Studies. (1996). *Reforming our thinking on welfare: Strategies for state action*. Washington, DC: Author.

Clinton, W. (1995, July). *Remarks by the President by satellite to National Education Association* [On-line]. Available: library.whitehouse.gov.

Clinton, W. (1997, July). *Opening wide the doors of college* [On-line]. Available: www.ed.gov/updates/PresEDPlan/part9.html.

Ex-welfare mom in St. Louis graduates with honors, gets $31,000-a-year-job. (1997, February 24). *JET*, 24.

Gittell, M. (1996, May). [Testimony of Dr. Marilyn Gittell before the Committees on General Welfare and Economic Development of the New York City Council]. Unpublished testimony.

Gittell, M., Gross, J., & Holdaway, J. (1993). *Building human capital: The impact of postsecondary education on AFDC recipients in five states*. New York: Howard Samuels State Management and Policy Center of City University of New York.

Gittell, M., Vandersall, K., Holdaway, J., & Newman, K. (1996). *Creating social capital at CUNY: A comparison of higher education programs for AFDC recipients*. New York: Howard Samuels State Management and Policy Center of City University of New York.

Harris, J. (1997, February 19). Clinton welfare outreach nets an earful. *The Washington Post*, p. A4.

Kane, T. & Rouse, C. (1985). Labor market returns to two and four year colleges. *The American Economic Review*, 85 (3), 600-614.

Kates, E. (1991). *More than survival: Access to higher education for low income women*. Washington, DC: Center for Women Policy Studies.

Kates, E. (1993). *Access to higher education project: Final report*. Northampton, MA: Project on Women and Social Change, Smith College.

Kramer, F. (1998). *The hard-to-place: Understanding the population and strategies to serve them*. Washington, DC: Welfare Information Network.

Lewis, L. & Farris, E. (1996). *Remedial education at higher education institutions in fall 1995*. Washington, DC: U.S. Department of Education and National Center for Education Statistics.

Personal Responsibility and Work Opportunity Reconciliation Act of 1996, 42 U.S.C. § 604 (h) (1996).

Romano, R. (personal communication, April 8, 1998).

Schmidt, P. (1998, January 23). States discourage welfare recipients from pursuing a higher education. *The Chronicle of Higher Education*, p. A34.

Sherman, A. (1990, January). *College access and the JOBS program*. Washington, DC: Center for Law and Social Policy.

Swarns, R. (1998, April 19). A wakeup call for workfare's advocates. *The New York Times*, p. A10.

Temporary Assistance for Needy Families Program (TANF), 45 C.F.R. Preamble to § 271.30 and 273.2 (1997).

U.S. Department of Labor. (1998, February). *About welfare — myths, facts, challenges and solutions* [On-line]. Available: www.doleta.gov/resources/myths.htm.

Weisbrot, M. (1997, December). *Welfare reform: The jobs aren't there* [On-line]. Available: www. rtk.net/preamble/welfjobs/welfjob.html.

Welfare-to-Work Grants Interim Rule, 20 C.F.R. § 645.220 (1997).

Table of Indexes

Chairman McKeon, 2, 3, 5, 8, 10, 12, 13, 14, 16, 18, 20, 22, 24, 26, 28, 30, 31, 34
Mr. Andrews, 28, 29
Mr. Haskins, 6, 17, 24, 25, 27, 29, 30, 31, 33
Mr. Holt, 26, 27, 28
Mr. Isakson, 20, 21, 22
Mr. Johnson, 24, 25, 26
Mr. Potts, 10, 20, 21, 24, 26, 27
Mr. Rector, 8, 23, 25, 27, 28, 31
Mr. Schram, 15, 19, 31, 32, 33
Mrs. Mink, 3, 18, 19, 20
Ms. Boushey, 13, 27, 29
Ms. McCollum, 22, 23

U.S. Department of Education
Office of Educational Research and Improvement (OERI)
National Library of Education (NLE)
Educational Resources Information Center (ERIC)

NOTICE

Reproduction Basis

	This document is covered by a signed "Reproduction Release (Blanket)" form (on file within the ERIC system), encompassing all or classes of documents from its source organization and, therefore, does not require a "Specific Document" Release form.
X	This document is Federally-funded, or carries its own permission to reproduce, or is otherwise in the public domain and, therefore, may be reproduced by ERIC without a signed Reproduction Release form (either "Specific Document" or "Blanket").